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23 July 1985

# Latin America Report

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23 July 1985

## LATIN AMERICA REPORT

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INTER-AMERICAN AFFAIRS

REPORTAGE ON, REACTION TO CARICOM SUMMIT PROCEEDINGS

Trinidad Push for Treaty Review

Port-of-Spain SUNDAY GUARDIAN in English 30 Jun 85 p 1

[Text]

BRIDGETOWN, Sat. (Cana) — Trinidad and Tobago, a key member of the Caribbean Community (Caricom), is pushing for a review of the 12-year-old agreement establishing the movement, because it finds certain provisions now out of touch with present day realities, Trade and Industry Minister Wendell Mottley said today.

Mottley, in an interview with CANA, said no progress will be made towards finding solutions to major problems facing the 13-member community until the 1973 Treaty of Chaguaramas is overhauled.

"What is becoming clearly apparent is that Caricom, once structured in a certain way at the Treaty of Chaguaramas has, as is natural over the passage of time, seen the development of different patterns of trade, different economic

performances, and it is as a result this new (pair of) shoes that we are wearing that we are finding some pinches and...we need, I believe, constructively not to abandon the gains that we have had or anything of that sort, but...try to look at the basics again, at some of the major differences and problems that have emerged," he said.

Mottley, who is in Barbados as part of the Trinidad and Tobago delegation for the Caricom Heads of Government Summit, suggested that Prime Minister George Chambers will make some important pronouncements on how Port-of-Spain sees Caricom.

Asked precisely what changes Port-of-Spain wanted to see made to the Caricom Treaty, Mottley said he preferred Chambers to speak on the issue.

The Trinidad and Tobago attitude is a response to persisting criticism from her regional colleagues of a regime of import restrictions introduced there about two years ago and which have had the effect of severely slowing the flow of Caricom goods into what is the Community's main market.

The country, largely because of its petro-dollar wealth, had been absorbing about half of all goods produced in Caricom, but with the reversal of oil fortunes on the world market, has recently been seeking to conserve its dwindling foreign exchange reserves.

Mottley, reaffirming Trinidad and Tobago's commitment to the regional integration experiment, said Port-of-Spain wanted a constructive restructuring of Caricom

ONR's Position

Port-of-Spain SUNDAY GUARDIAN in English 30 Jun 85 p 1

[Text]

THE Organisation for National Reconstruction (ONR) yesterday called on Caricom Governments to deepen the process of regional integration.

Karl Hudson-Phillips, ONR leader, said in a statement prior to the start of tomorrow's meeting that the widespread economic downturn makes it even more important that we bargain with one voice for the Caribbean.

"The ONR calls on the Trinidad and Tobago Government to contri-

bute to the deepening of the process of regional integration by lifting visa restrictions against our Grenadian brothers and sisters who ought to be encouraged in their new thrust for democracy," he said and urged Trinidad and Tobago to show greater leadership in the Caribbean.

"On behalf of the ONR I wish to extend best wishes for a successful conference to all our heads of Government.

"We hope that they will use the opportunity to bring our people clos-

er together, both on the economic and cultural levels.

"With the Commonwealth Heads of Government meeting later this year in The Bahamas, we hope the opportunity will be taken for the Commonwealth to present a common front on all issues and, in particular, arrive at an interpretation of the Gleneagles Agreement concerning apartheid in sport, particularly in the context of what is going on in South Africa and Namibia."

Port-of-Spain SUNDAY GUARDIAN in English 30 Jun 85 pp 1, 3

[Text]

THE issue of international air transportation keeps coming back like a song for Caribbean heads of Government.

Since 1961 there has been talk about a regional airline which to this day, 24 years later, continues to prove elusive.

Air transportation is again one of the priority items on the agenda on the sixth Caricom Heads of Government Conference which opens tomorrow at Sam Lord's Castle in Barbados.

Trinidad and Tobago's External Affairs Minister, Errol Mahabir, on Friday described the issue as one of two priorities. The other was revision of the Caricom Treaty.

He said there was need to update the provisions of the Treaty of Chaguaramas and of the Common Market to accord with contemporary realities.

"One of the fundamental bases on which the treaty was developed is that member states in Caricom are divided into two broad groups — the more developed countries (MDCs) and the less developed countries (LDCs)," he said.

"The obligation of the two groups differ," he added, "but together they underpin the whole system which we know as Caricom."

In Trinidad and Tobago's position, he said, a fundamental question arose: In the light of contemporary developments which affect the fortunes of every member of Caricom, some more than others, was the division of MDCs and LDCs still relevant?

"But if it is not relevant, or not relevant to some extent," he said, "then we need to consider the implications which they hold for the obligations of each member state in the Caribbean Community and Common

Market," he added.

Mahabir, chief architect in the talks, said there were a number of other developments — state trading, currency devaluations, the trading regime with particular reference to third countries, the way in which the Rules of Origin are applied, the surveillance machinery, the proliferation of offshore medical and veterinary schools — which demonstrate the need for a review of the Caricom Treaty and the Treaty of Chaguaramas.

TANGIBLE RESULTS

On the thorny issue of air transportation, Mahabir said that it has been on the Caribbean agenda since 1961, with no tangible results.

He recalled that at the Ocho Rios Heads of Government Conference, he had chaired a meeting of Ministers which looked into the question of how to avoid the unnecessary proliferation of national airlines in an area as small as the Caribbean.

This proliferation, he said, was also a matter of concern on a worldwide scale, to the industrialised countries who gave economic aid to certain developing countries. In fact, he said, these countries have had sharp words to say about what they call "prestige projects" in developing countries. National airlines were included in their categorisation.

"But our main concern at Ocho Rios," he said, "was to optimise for the region the benefits which assets owned in the region could provide to the region."

In their deliberations they had to take note of the international conventions in the area of civil aviation, in particular the obligation

relating to "substantial ownership and effective control" of airlines.

The ministerial meeting agreed there was need to work out arrangements which would be internationally acceptable — which would allow the region to explore the assets in air transportation which it owned. As a result a high-level technical committee was appointed to do this.

Mahabir added that "The committee proposed that the treaty should be concluded by Caricom under which one member state could designate as its national carrier, a carrier substantially owned and effectively controlled by another member state."

"It also proposed that the International Civil Aviation Organisation (ICAO) should be persuaded to include an amendment to its convention which would recognise the 'community of interest' principle as an effective and acceptable substitute for 'substantial ownership and effective control,'" he said.

He recalled that at the September, 1983 meeting of ICAO, Caricom states, with the support of other countries, the United States and Canada among them, successfully persuaded the ICAO conference to adopt a resolution accepting the "community of interest" principle.

According to Mahabir, the Caricom heads of Government approved the Treaty on Designation at their Summit in Port-of-Spain in 1983, and signed it in Nassau, in 1984. This treaty, he explained, was now in the process of being formally ratified. In fact, Trinidad and Tobago, which signed the treaty, has taken the decision to deposit the instruments of ratification and this will be done in Barbados this week.

Signs of Dissension

Port-of-Spain SUNDAY EXPRESS in English 30 Jun 85 p 1

[Article by Andy Johnson]

[Text]

THE TRINIDAD and Tobago delegation at the 27th meeting of the Caricom Council of Ministers has told the gathering that there were invisible transactions and "other very serious matters" affecting trade in the region which the Caricom Secretariat was not fully addressing.

According to a confidential report reaching the EXPRESS, "Trinidad and Tobago had commented on the very serious measures that were affecting intra-regional trade, which the Secretariat document did not fully reflect."

"The stance taken by Trinidad and Tobago at the last meeting was that there were other barriers to intra-regional trade apart from import restrictions and these merited the full attention of the Council, the report said."

It added that trade could not be isolated from the other factors which affected the trade relations among the 12-member common market system.

"Given the main objective of Caribbean economic integration," the report said, "Council should not consider the situation of visible trade in isolation but should adopt a broader perspective in examining intra-regional trade, including invisibles and other aspects of economic co-operation."

But in a move diametrically opposed to this view, the Jamaica representative at the meeting of officials said that "it was difficult to figure

out in which direction Trinidad and Tobago was moving."

The Jamaica representative also said that "complaints were being made that although licenses were being granted, EC-O approvals were not forthcoming," addressing the situation in Trinidad relative to import restrictions.

Jamaica also told the meeting earlier this week that "there were also reports of a new negative list" in Trinidad and Tobago. The quarrel was expected to spill over into the meeting of the Ministers which was headed for a late night last night, as the Trade Ministers hoped to finalise their report to be presented the Confer-

ence of Heads of Government on Monday.

A meeting of the region's industry ministers was scheduled to take place today at the conference centre in the Sam Lord's Castle Hotel

Also clearly aiming at Trinidad and Tobago, a representative of the Organisation of Eastern States (OECs) told the meeting of officials that despite the commitment of the seven members of the smaller states in Caricom, "little effort had been made by certain other Caricom states to observe the letter, let alone the spirit of Article 21 of the annex to the Treaty of Chaguaramas," which establishes the Caribbean Community and Common Market

System.

Among the more salient aspects of Article 21 is the sanction against non-tariff barriers to intra-regional trade. Such barriers were imposed in Trinidad and Tobago in 1983 and have thrown manufacturers and exporters in most other countries out of sync. It was revealed that in some cases 80 per cent of production in some member states was geared for the Trinidad market.

Up to late Friday night, discussion on the matter at the ministerial level was taking place in the conference centre, with Trinidad and Tobago's Wendell Mottley very much in the driver's seat.

### Pindling Address

FL012003 Bridgetown CANA in English 1728 GMT 1 Jul 85

[By Reudon Eversley]

[Text] Bridgetown, 1 Jul (CANA)--Bahamas' Prime Minister Sir Lynden Pindling called today on Caribbean countries to concentrate more on adopting pragmatic business approaches rather than wrangling over ideology in the search for solutions to common regional problems.

We must be mindful of the fact that we are very small communities, with very limited resources, with minimal spending or buying power and reduced technological achievements. We must therefore consider all these factors which limit our choices, he told the opening of the sixth Caribbean Community (Caricom) heads of government conference here.

Pindling, outgoing chairman of the heads of government conference, said a spirit of dialogue and consensus among member countries was also vital towards solutions which he felt were difficult in view of the nature of the region's problems.

Pindling said Caricom's constancy and consistency, in the face of serious difficulties, stands as a public and prolific declaration of our unified and unanimous commitment to keep under continuous review the volatile nature of the socio-economic vectors that attempts to manipulate and do in fact play havoc with our destinies.

The major preoccupation of the Caricom government leaders over the next four days is getting stalled Caricom trade going again after a three-year slump.

Pindling paid tribute to the late Barbados' Prime Minister Tom Adams, who died suddenly four months ago, describing him as one of the most brilliant stars on the Caribbean's political firmament. Barbados and the entire region have lost a gifted and highly valued leader, he said.

If it is true that behind every dark cloud there's a silver lining, then perhaps we should harmonize and synchronize our focus this morning so as not to lose sight of the silver lining for gifted as he was and valued as he was... Tom Adams' passing is irrefutable testimony of the fact that as public personalities, we are but transient soldiers on the stage of history.

As a mark of respect to Adams, the conference observed a minute's silence.

The Bahamas' prime minister urged the region to make its outcry louder against South Africa's racist apartheid system...the practice of apartheid is simply vile and wicked and has no place in the sphere of human existence in 1985, he remarked.

Pindling, whose administration last year was wracked by a major narcotics-related corruption scandal, urged the Caricom heads to work towards achieving greater bonds of cooperation in the fight against trafficking in and abuse of drugs. All regional countries were directly and significantly affected by the drug business, he said.

#### Blaize Address

FL012023 Bridgetown CANA in English 1841 GMT 1 Jul 85

[By Bertran Nile]

[Excerpt] Bridgetown, 1 Jul (CANA)--Grenada's Prime Minister Herbert Blaize today warned Caribbean leaders against giving the impression of using their annual summit as a talk shop. Caricom should be action oriented and not document-producing and conference centered, Blaize told the 12 leaders present from the English-speaking Caribbean.

He said that in the final analysis, West Indians' assessment of the integration movement would depend on its direct impact on their living standards. Neither they nor succeeding generations would forgive us if they feel justified in concluding all we do is talk. We want to see meaningful action... Blaize said.

The major issue at the conference is trade, and the failure of majority of states, grouped together in the Caribbean Community (Caricom) to implement an agreement at their last summit a year ago to revive intra-regional trade [as received]. Aspects of the agreement include raising tariffs on selected goods made outside the grouping to protect similar Caricom-made items and the removal of protectionist measures.



Blaize, saying that he was an optimist, indicated that he could not transfer this optimism to his countrymen if they cannot find export opportunities in Caricom when regional goods are to be found in Grenada's shops.

Lay-offs from a shrinking market, he said, can have serious social consequences and create resentment which will weaken the historical bonds that unite us.

After outlining the contribution of Caricom in attracting international aid, in functional co-operation, and in other areas, Blaize said its chief roles were economic and social. He said these could be enhanced if all practised parliamentary democracy.

Blaize himself won power last December in general elections which restored constitutional government to the island after a near five years hiatus caused by leftist coups.

### St John, Mitchell Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jul 85 p 1

[Article by Clevon Raphael]

[Excerpts]

BARBADOS Prime Minister Bernard St. John yesterday realistically diagnosed the status quo of Caricom as it stands today — the regional trading movement is in danger of collapsing.

And expressing the feeling of his Caricom colleagues assembled in Barbados for the Sixth Heads of Government Conference, Mr. St. John told the opening ceremony that all was not yet lost.

"It is clear that, we have before us a two-fold challenge; in the short run we have to ensure the economic survival of the integration movement, in the longer term, if we manage to overcome our difficulties, we must seek to move to a higher level of economic and social well being our peoples," he told the gathering.

Mr St. John, a lawyer, told the audience almost at the start of his speech:

"The meeting comes exactly on the 12th anniversary of the signing of the Treaty of Chaguaramas, it also comes at a time when the economic problems besetting the region are reaching the point of genuine crisis.

"We must be under no illusions. We are in grave danger. The spectre before us in the region is that of the collapse of the economic foundations of the integration movement

and the laying open of regional economics to an unquestionably hostile international environment.

"Were we to allow Caricom to collapse there would be set in train uncontrollable ripple effect that would have disastrous consequences for the institutions of functional co-operation which we have created over the past 12 years."

These sentiments he counselled, were not intended to be alarmist although, indeed, the alarm had long been sounding.

"Rather I am trying to offer a frank assessment of the condition of Caricom," he said.

Alluding to one of the major issues to be tackled the implementation of the Nassau Understanding which sets out details for restoration of intra-regional trade Mr. St. John admitted the countries did not do as well as they should have done.

"There is no single or simple reason to account for this fact but the task before us is quite clear. In the spirit of frankness which has characterised meetings of this conference we must discuss and identify the problems which have been experienced in implementing the understanding and see what can be done to correct this situation."

Mr. Mitchell, who was easily the most popular speaker yesterday

morning, ended his stimulating contribution this way:

"The Heads of Government meeting always ends signing declarations. We have had the Georgetown Accord, the Chaguaramas Declaration and Treaty and then the Great Nassau Understanding. We meet at a rather critical time now and I hope that in this meeting we will end up with nothing less than a Barbados Understatement" (laughter).

A draft agenda under confidential heading shows some of the matters to be discussed.

These include:

- Progress report on action to implement the Nassau Understanding on structural adjustment;

- Regional trade and payments issues (status of implementation of decisions of the Fifth Meeting of Conference on the restoration of intra-regional trade;

- Agriculture — intra-regional trade in sugar, marketing arrangements for primary agricultural products and livestock.

Canada/Caricom relations, a report on the negotiations for the Third Lome Convention and apartheid in sport will also come up for scrutiny.



Trinidad Threats to Barbados

JPRS-LAM-6  
23 July 1985

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jul 85 p 1

[Article by Clevon Raphael]

[Text] Bridgetown: Trinidad and Tobago will impose sanctions on Barbados if its Caricom neighbour prevents State-owned BWIA from stopping over in Barbados on Saturdays on the way to London.

This was the threat made Sunday night by a well-placed source close to the Trinidad and Tobago delegation at the Sixth Caricom Heads of Government Conference which opened in Barbados yesterday morning.

The official, who for obvious reasons declined to be identified, said Trinidad and Tobago had reached the stage where it was saying to its Caricom partners, "Enough is Enough" with respect to the "unwarranted jamming" this country was receiving in the area of trade.

Dwelling specifically on BWIA, the source gave an historical overview of numerous meetings held over the years where consensus--although no formal agreement was ratified--was reached on BWIA being designated the regional air carrier.

He added after outlining the various promises made to Trinidad and Tobago on the matter:

"They always told us, 'Yes, we will make BWIA our regional carrier' but, there was always a 'but' which they have not been able to clarify with us."

What has triggered this fit of pique was a letter reportedly received from a Minister in the Barbados Government recently that BWIA would be permitted to stop in Barbados on Saturday until the summer of 1985.

Important Issue

After that period it was uncertain what the position would be.

The airline and the fact that BWIA heavily advertised Barbados in the process, the source said, the distinct impression was being made that BWIA needed Barbados more than Barbados needed BWIA.

The Trinidad and Tobago delegation, the source added, was very perturbed about the development and the question of BWIA was a very important issue at the conference. He added:

"For 15 years BWIA has been maintaining that Saturday flight, heavily advertising Barbados and if we now have to stop that service the airline will be in a lot of problems with the market. If BWIA is to lose that service we will have to take sanctions against Barbados."

"One important sanction to get back at Barbados will be to review the question of the importation of Barbados manufactured goods into Trinidad and Tobago.

"We want to make it clear that Trinidad and Tobago is not about fragmentation or disintegration. We are committed to the growth and strengthening of the regional movement, but the time has come when we must say enough is enough."

The airline, he revealed, suffered a cash deficit of \$20 million in 1984 and measures were introduced to reduce if not eliminate that figure in 1985.

He said that other Caricom States apparently were not sympathetic to the economic plight of Trinidad and Tobago which was no different from its other Caricom partners because of the international downturn in the economy.

The Bajans, he complained, were not taking Trinidad and Tobago seriously even though Trinidad and Tobago was lending money to its regional neighbours despite conditions contrary to how these monies should be spent.

The source referred to an undertaking that aid should not be given for the construction of prestigious buildings and in any way be connected to offshore medical schools.

Barbados was named as one Caricom State with such a facility.

The source added: "We have allowed ourselves to be treated in a very unfair manner over the years and the time has come when our Caricom brothers must understand that we want reciprocity in our trading relationships.

"We don't want war, we want peace, but we cannot have peace if these conditions are not allowed to flourish."

#### Trinidad-St Lucia Accord

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jul 85 p 1

[Article by Clevon Raphael]

[Text] Barbados: Signing of an historic agreement between the Government of Trinidad and Tobago and St. Lucia was postponed from yesterday to 9 a.m. today at the Sam Lord's Castle, venue of the four-day Caricom Heads of Government Conference.

It is the first time a bilateral agreement on air services is being signed between Trinidad and Tobago and a Caricom member state.

According to a Trinidad and Tobago source at the talks:

"We never had a formal agreement with any Caricom country, we operated just like that and that is why some countries could threaten to stop our service to their states.

"This agreement is really a milestone in Caribbean aviation history and we hope to perform similar ceremonies with other Caricom countries".

The reason given for the postponement was so that the Prime Ministers of both countries could perform the ceremony.

Witnessing the event will be Trinidad and Tobago's Foreign Minister Mr Errol Mahabir; Industry and Commerce Minister, Senator Wendell Mottley; State Enterprises Minister, Mr. Ronnie Williams, and Trinidad and Tobago High Commissioner to Barbados, Mr. Reginald Dumas.

In Barbados yesterday for the ceremony was Mr. Frank Rampersad, Chairman of the state-owned BWIA.

#### Trinidad-Jamaica Talks

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jul 85 p 1

[Article by Clevon Raphael]

[Text] Barbados: Trinidad and Tobago last night opened up bilateral discussions with the Jamaican delegation at the Caricom Heads of Government meeting in Barbados.

This was disclosed by a member of the team shortly after the Foreign Minister of Barbados, Mr. Nigel Barrow, told a Press briefing that the first day's talks had moved smoothly.

The Heads of Delegations met in caucus for more than three hours hammering out issues relating to trade while the officials met in plenary session.

Mr. Barrow said:

"We have no decisions to report but there have been extensive discussions in caucus on trade matters and general economic issues facing the community and in relation to the general economic matters the matter discussed related to WISCO.

"And the discussions are to take major decisions which will be referred to the Heads, therefore there won't be anything further to say one way or the other on that matter."

Trinidad and Tobago's delegation all got the conference to agree to discuss trade--the major problem at the session--but in the context of the wider economic problems facing the region.

A conference source interpreted this to mean that pure trade as such could not be isolated from the general economical climate in the region.

The Trinidad and Tobago team, headed by Prime Minister George Chambers, had a working luncheon hosted by the Prime Minister of Barbados Mr. Bernard St. John,

Chairman of the Conference. According to a source, bilateral issues were also discussed at this session held at the conference venue Sam Lord's Castle.

"We cannot say anything at this stage as the talks are still in a delicate stage but we are working hard towards improving our respective positions," the source said.

The Ministers of Finance were due to meet today, but because of the state of the talks it was agreed that they meet tomorrow instead.

Meanwhile, Dominica was not represented at yesterday's opening day. That country held its general election yesterday and according to a source Dominica should be represented from today.

Mr. Barrow said they would be reporting to the media decisions as they are taken.

#### More on Mitchell Address

Port-of-Spain EXPRESS in English 2 Jul 85 p 1

[Article by Andy Johnson]

[Text]

**BRIDGETOWN —** In a rousing address at the opening of the Sixth Conference of Caricom Heads of Government here yesterday, St Vincent Prime Minister James Mitchell pleaded the case for state-owned BWIA, the inter-island-hopping airline LIAT, and impressed upon his colleagues to put their own houses in order before they pronounced upon violations of human rights and freedoms in other parts of the world.

"We are all very jealous in our definition of sovereignty when it suits our selfish purpose," Mitchell told the Conference, which opened in the Conference Room of the exclusive Sam Lord's Castle in south-eastern Barbados. He said that years ago a group of prime ministers in the region had watched television programmes on Grenada at the time of protest in Grenada before independence there.

"We were shocked at what we saw on television," he said, "but we remained silent. I still wonder if the course of history may not have changed with regard to Grenada if we had spoken out then," he said. "I often wonder, too, if the course of Caribbean history might not have been different if the decisions on freedom of movement which Grenada, St Lucia and St Vincent had taken were allowed to be cultivated and developed, but that was not to be," he added.

He said, it was his hope that now that almost all of the countries in the region were independent that decisions which they took on international issues were deserving of respect. His government, he said, abhorred apartheid in all its forms. "But we certainly think that the voice of the Caribbean condemning apartheid

would carry more weight if democracy in this region is not in any way curtailed and if we uphold the principle on every occasion of free and fair elections.

Mitchell, who returned to the prime ministership of St Vincent shortly after last year's Heads of Government Conference in Nassau, was almost identical on this point with the address delivered by Jamaica Prime Minister Edward Seaga, when he addressed the 1983 summit in Port of Spain.

"We should take the beam out of our own eyes," Mitchell said yesterday, "before we seek to decimate the mote in the eyes of others." Conference sources here clearly identified the regime in Guyana as the obvious target of Mitchell's diatribe in this regard, but one member of the Guyanese delegation attending the conference said he was more amused than alarmed by Mitchell's address. "I know that support for human rights is still only at the stage of platitudes in the Caribbean," he continued, "but that does not deter me from indicating my view that we need a Caribbean commission on human rights."

Returning to Grenada, Mitchell said that while there was a newly elected government in the Spice Island, the region was in danger of



falling into a trap with the return to so-called normalcy in Grenada. He said he detected a certain external indifference to the Caribbean in the aftermath of the Grenada experience, adding that the economic and social conditions which created the revolution in Grenada had not vanished from the region. This, he said, even as the rate of job creation, did not match the rate of population growth.

"I detect the resolution of that revolutionary experience to be hanging like a veil over us. A veil of comfort, he said, which is the antithesis of conflict. He added that whatever the view of the international community about the Caribbean, the best approach for the region was to

put its own house in order. "This is the best way to prepare for the economic hurricane still to come," he said.

With respect to BWIA, Mitchell said that the region seemed "pathologically unable" to find a solution to the problem of making it the regional airline, stating that the issue was on the drawing boards since 1967. He said, dealing with LIAT, that it was "passing strange that while countries in the region were telling the international community that they needed concessional aid for their development, and were fighting the graduation issue, they were turning their backs on concessional financing for LIAT."

### Praise for Mitchell's Stand

Port-of-Spain EXPRESS in English 2 Jul 85 p 8

[Editorial]

[Text]

THREE YEARS AGO, at a meeting to discover the problems which would make the Caribbean Basin Initiative mere wishful thinking, St. Vincent's Prime Minister James Mitchell declared that in 1940, when Churchill and Roosevelt were "exchanging destroyers for land bases" in the region, the enemy was clearly distinguishable. In the 80s, however, the Caribbean, because of its political diversity, could not agree on a common enemy. Yesterday at the Sixth Conference of Caricom Heads of Government in Barbados, Mr Mitchell pinpointed that enemy: the selfishness, greed and cowardice of its politicians.

Touching on the "pathological" reluctance of governments in the area to accept British West Indian Airways as the regional air carrier, and on the conspiracy of silence which followed the atrocities of

the Gairy Government in 1973, Mitchell called on his Caricom prime ministers to put their houses in order, and to take the beam out of their own eyes before drawing attention to the mote in the eyes of others. "This is the best way," he warned, "to prepare for the economic hurricane still to come."

It was a frank and hard-hitting address which reminded politicians and the press alike of the address by Jamaica's Prime Minister Edward Seaga at the Hilton summit in Port of Spain in 1983. Then, Mr Seaga had criticised countries, clearly Guyana and Grenada, for their odious record of human rights violations. But at the end of it, the Guyanese delegation attending the Sam Lord's Castle summit was more amused than alarmed by Mitchell's forthrightness. In the same measure, it seemed, that Prime Minister Forbes Burnham had

been unmoved by Seaga's criticisms two years ago.

"We know that support for human rights is still only at the stage of platitudes in the Caribbean," one of the delegates from Guyana told our reporter, intending to dismiss Mitchell's remarks about "free and fair elections" but synthesising rather the problem which Mr. Mitchell was describing and warning against: the convention of superficiality and wry support for principles emanating from these summits. And yet, it is the absence of any sincere, or profound, commitment, and a phenomenal egotism, which are clearly at the root of this squalid disposition.

In his 1982 address, Mr Mitchell had lamented that "the decades of separate independence and all the opportunities missed at political union" created the advancement of conflicting foreign policies instead of



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bringing into existence a united regional position. Yesterday, he recalled this gap in foreign policy when he urged that "the voice of the Caribbean condemning apartheid would carry more weight". And as he had scorned then "the pious hope of foreign policy coordination which was confined to securing trade preferences", he condemned yesterday selfishness which could lead to "attempts to weaken the stronger members of the community."

His meaning was abundantly clear: only tragedy and ruin can come from undermining the regional

structure with bickering and betrayal. But if the Caribbean Community is really given a chance by its members, enormous possibilities, and success, awaited it.

There can be no doubt that Mr Mitchell has provided this fractious Heads of Government summit with a new opportunity for frankness and purpose; his well-meaning candour should inspire discussions over the next three days to veer away from the predictable rounds of complaints and threats which everyone expected of this meeting and to establish a new set of policies and principles which are irre-

futably in the interests of the region and in the interest of regional unity.

Certainly, there should be a genuine effort among all the governments present to examine once and for all the case of BWIA as the regional air carrier, a matter as Mr Mitchell said yesterday which has been outstanding since 1967 and to understand as well the new economic realities of Trinidad and Tobago, because of its falling oil revenues. Because it is excruciatingly true that the Caribbean can only develop as one nation; — not as 13 recklessly impoverished states reaching up for the nearest white hand.

#### Chambers on CARICOM Restructuring

Port-of-Spain TRINIDAD GUARDIAN in English 3 Jul 85 p 1

[Article by Clevon Raphael]

[Text] Barbados: Prime Minister of Trinidad and Tobago, Mr. George Chambers has raised the issue of restructuring of the Caribbean Community (Caricom) with his colleagues attending the Caricom Head of Government Conference here in Barbados.

Mr Chambers's decision to take up the matter is in keeping with the feeling in Port-of-Spain that the conditions--political and economical--which existed when the Caricom Treaty was assented to 12 years ago no longer existed.

And in a practical sense, he said, it must be reviewed in order to ensure the continued existence of the regional integration movement.

#### Consensus Awaited

Trinidad and Tobago's Foreign Affairs Minister, Mr Errol Mahabir, disclosed the nature of talks Mr. Chambers has been having with Caribbean leaders in private at a news conference yesterday morning.

Mr. Chambers met Mr James Mitchell, the Prime Minister of St. Vincent and the Grenadines, and he hoped to meet other leaders during the four-day summit.

Mr Mahabir said the bilateral talks were concentrating mainly on trade and not much could be said on that score until a more clear consensus had emerged.

#### Trinidad's Bilateral Talks

Port-of-Spain TRINIDAD GUARDIAN in English 3 Jul 85 p 1

[Article by Clevon Raphael]

[Text] Speculation is running wild at the Caricom Heads of Government Conference in Barbados with the expected departure from the meeting today of the Prime Minister of Trinidad and Tobago, Mr. George Chambers. The meeting is due to end on Thursday.

At the end of the visit to the Caribbean Manufactures Exhibition (Carimex), Mr. Chambers remarked to officials that he was leaving the talks on Wednesday. He said he will be holding a news conference at Piarco, when told that Trinidad and Tobago journalists wanted to interview him on his impressions of the exhibition, at which some 30 Trinidad and Tobago manufacturers are represented.

One of the questions being asked was whether Mr. Chambers was dissatisfied with the progress at the summit, hence his unexpected departure.

Mr. Chambers's departure was also viewed with concern because the Caricom Minister of Finance are due to hold their meeting today, starting 9.30 a.m.

Up to 7.30 p.m. last night it could not be ascertained what time Mr Chambers would be [words indistinct].

But a member of the Trinidad and Tobago delegation, trying to quash the speculations, said Mr. Chambers always intended to leave today--even though that fact was not publicly announced.

He added: "Remember Mr. Chambers is going on an extended trip abroad starting Saturday. He would like to preside over the meeting of Cabinet on Thursday as it would be a long time before he does so again."

"Why are people so worried? He is leaving behind competent Ministers to continue to push Trinidad and Tobago's case at the conference," the official said.

The Ministers left behind are Mr. Errol Mahabir (Foreign Affairs), Mr. Ronnie Williams ((State Enterprises) and Senator Wendell Mottley (Industry and Commerce).

#### Roughing Up

Although conference sources made it clear that this had nothing to do with Mr Chambers's departure, it was reported that several countries with which Trinidad and Tobago continued discussions on Tuesday were "roughed up".

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A source explained: "We are tired of being made the shipping boys in the Caribbean and we are making it clear that we don't intend to continue lying down and receive unnecessary blows."

Trinidad and Tobago continued bilateral talks yesterday with Jamaica, St. Vincent and Grenada according to the sources who said that significant progress was made with Jamaica but much could not be said about Grenada.

He added: "Talks dealt principally with trade with Jamaica, the significant fall off and the specific mechanism by which trade might be revived. We hope to have something very significant to report very soon."

#### Love Chair

Mr. Chambers was in a jovial mood during the Carimex tour, joking with Trinidad and Tobago manufacturers. At a booth he sat in a love swing chair with Mrs Pat Hosein, Caricom Trade Promotion Officer and quickly getting up, he quipped. "Trinidad will think that is what I am doing in Barbados."

#### Compton on BWIA

Port-of-Spain TRINIDAD GUARDIAN in English 3 Jul 85 p 1

[Article by Clevon Raphael]

[Text] Barbados: BWIA's claim to be the regional carrier cannot be contradicted and the need for regional support should be obvious to all, Prime Minister of St. Lucia, Mr John Compton, said here yesterday morning.

Mr Compton was speaking at the signing of an air services agreement between his country and Trinidad and Tobago at the Sam Lord's Castle, St. Phillip, Barbados, venue of the Caricom Heads of Government Conference.

Signing for Trinidad and Tobago was Mr George Chambers, Prime Minister, who hoped the example set by St. Lucia would be emulated by other regional states.

Shortly after the 15-minute ceremony, Trinidad and Tobago's External Affairs Minister Errol Mahabir, said that during Mr Chambers's visit to England he would discuss with the British Government the question of air services in the region to Britain and most likely, the recent "surprise" agreement between Antigua and the British authorities would come under that heading.

Mr Compton said there were many institutions in the Caribbean but he believed BWIA and the University of the West Indies were perhaps the oldest, most effective and most important contributors to our economic and political evolution.

He warned: "We in the West Indies have succeeded only when we act together be it in the field of cricket, be it in the University, be it in Caricom, Should we continue to be divided and fragmented the most valuable assets of our independence would be fritted away."

Mr. Chambers was glad that Trinidad and Tobago's first bilateral agreement was with St Lucia for a number of reasons, including that Mr Compton was very committed to the cause of regional integration. He also looked forward to the day when St Lucia would sign the designation agreement authorising BWIA to be its carrier.

CSO: 3298/836

INTER-AMERICAN AFFAIRS

CARICOM TRADE EXAMINED AT EXHIBIT OPENING IN BARBADOS

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jul 85 p 14

[Text]

**BRIDGETOWN, Sun.,**  
(Cana):

BARBADOS said the continuing downturn in trading with its Caribbean Community partners has had a devastating effect on the local economy.

It is difficult to over-dramatise the devastating effect the decline in intra regional trade has had upon the countries of the community, Barbados Prime Minister Bernard St John said, as the first made-in-Caricom exhibition opened here on Thursday.

In Barbados, he said, where about half of the indigenous manufacturing output is ultimately sold within the 13-nation Caribbean Common Market, any large drop in sales to Caricom States would have an immediate and significant adverse impact on the domestic economy.

Between 1977 and 1982, Mr St John said Barbados domestic exports to Caricom grew at a rate of 25 per cent, but the trend reversed sharply afterward, with a fall of 2.3 per cent in 1983 and a further 16.5 per cent last year.

In particular, he said, sales to Trinidad and Tobago and Jamaica dropped by 14.4 per cent and 53.4 per cent respectively in 1984.

Not surprisingly, this has had a serious impact on employment in our manufacturing sector, St. John told the ceremony, attended by hundreds of local and regional producers and buyers from around the world.

**RESTRICTIVE POLICIES**

A combination of restrictive policies in some Caricom member States, mainly Jamaica, Guyana and Trinidad and Tobago, three of the community's largest markets, has been chiefly responsible for the fall-off in intra-regional trading in the last three years.

After peaking at \$1.6 billion in 1981,

intra-Caricom trading declined by 2.6 per cent in 1982, 12 per cent the following year, and 11.9 per cent in 1984.

Secretary-General Roderick Rainford also blamed for the current trading difficulties, what he termed an information gap at the level of producers and buyers, about production and supply capabilities in Caricom States, as well as import requirements.

Despite all this, he said there were real opportunities for boosting trade among Common Market members. "With regionally made goods accounting for only ten per cent of total Caricom imports, we are directing to extra-Caricom sources of supply a level of purchasing power that is nine times the purchasing power spent within the region."

He acknowledged that a substantial portion of Caricom imports must come from outside of the region, but contended that there is scope for intra-regional sources of supply to benefit more from intra-Caricom purchasing power. For many areas of production that are established and functioning within Caricom, do produce some of the things that are regularly procured from outside the region.

He said it was in an effort to tap this potential that Caricom Heads of Government at their last summit in Bahamas in July had agreed on a series of measures to boost Common Market trade, particularly with regard to an identified range of products available within the region.

Carimex, with more than 250 manufacturers participating, is a joint venture of the Caricom Secretariat, the Caribbean Association of Industry and Commerce (CAIC) and the Barbados Manufacturers Association (BMA).

The show, featuring 290 booths displaying a wide range of goods from matches to solar water heaters to clothers and furniture, is mounted at terminal two of Barbados Grantley Adams International Airport.



INTER-AMERICAN AFFAIRS

SOURCE OF FUNDS FOR CARIBBEAN MILITARY FORCE QUESTIONED

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jul 85 p 10

[Text]

IT MUST be nearly 50 years since a visiting political scientist originally from South Africa wrote that a study of the West Indies was as "a study of poverty."

As far as I recollect there was no protest, no contradiction at the time and indeed few people would have taken notice of his book.

Those were the colonial days when one Governor actually spoke of Trinidad (nobody mentioned Tobago then as it was only a Ward) as "a

land of rumour" and of its people as "children."

Many things have happened in the world since then — world war, space travel, information explosion, the end of colonialism and the spread of independent States.

Basically, though there has been change, the poverty remains even though many people affect not to see it what with their high expectations and their

elevated style of living.

Just a fortnight after the disclosure that funds were lacking to provide promised housing for poor people, there was the announcement that Grenada was to have a national airline.

It was taking advantage of an offer described as "too good to refuse."

Before this Antigua's Deputy Prime Minister had serious-

ly proposed that the Organisation of East Caribbean States should set up a "standing army."

Needless to say, the proposal was bare; it failed to say where the money to buy arms and maintain the army was to come from. In other words, who would sponsor it and who would "fund" it.

Antigua once had a Defence Force but it was disbanded in 1952 "as it had no HQ" if an Antiguan publication is to be believed.

In any event, the OECS States are not likely to fall for any "standing army." Take Dominica and its Prime Minister.

Supposing, instead of being located in Trinidad, the Caribbean Research and Development Institute (CARDI) was located in Dominica and instead of being what it is, it was a regional military force and there were no funds for salaries there would be the devil to pay.

CSO: 3298/837

23 July 1985

## INTER-AMERICAN AFFAIRS

## CARIBBEAN STATES ADOPT POSITION ON POPULATION ISSUES

Bridgetown BARBADOS ADVOCATE in English 17 Jun 85 p 1

## [Text]

A call has been made by the Conference of Caribbean Parliamentarians on Population and Development to parliamentarians and governments in the Caribbean to increase the budgetary allocations to population and development programmes in the region.

The conference further called for integration of population and development factors in national planning.

The call was contained in the Caribbean Declaration on Population and Development which was approved by the parliamentarians at the conference.

The declaration also called on governments and parliamentarians in the Caribbean for the following:—

—Establish national population councils which will serve as a focal point for the formation and co-

ordination of population and development policies in the region.

—Provide facilities for retraining and continuing education and to strengthen existing programmes and develop new initiatives to make the young people "more employable."

—Provide children and teenagers, both in and out of school, with appropriate family life education which would inform and motivate them with regard to responsible sexual behaviour.

—Deliver family planning services which are sensitive to the special needs of youths.

—Ensure the continuity of education to teenaged mothers both during and after pregnancy.

—Urge governments in various parts of the world to be unstinting in their development assistance and in particular to increase the allocations of population and development

programmes, especially for those which advance education, employment generation, status of women and family planning.

It further called on development banks, inter-governmental agencies and non-governmental organisations to increase their financial support to Caribbean governments and to non-governmental organisations at work in the Caribbean, so as to enable them to establish, sustain and expand programmes on population and development.

Mr. Tony Best, consultant for the Inter-Parliamentary Group, said: "The Caribbean Declaration on Population and Development is a significant document because it encompasses a wide range of concerns as well as possible solutions for the critical population problems facing Caribbean countries."

CSO: 3298/837

ARGENTINA

#### YPF RELEASES PRODUCTION DATA FOR MAY

Buenos Aires LA PRENSA in Spanish 20 Jun 85 p 12

[Text] Government Oil Deposits [YPF] has announced that, during May, the total production of liquid and gas hydrocarbons was 3,844,430 cubic meters, as compared with 3,659,900 cubic meters extracted in April; representing an increase of 184,530 cubic meters (5.04 percent more).

The 3,844,430 cubic meters of liquid and gas hydrocarbons extracted in May are broken down into 2,201,296 cubic meters of oil, in contrast to 2,148,713 cubic meters in April, with an increase of 52,583 cubic meters (2.45 percent); and 1,643,134 cubic meters of gas equivalent to oil in caloric value, as compared with 1,511,187 cubic meters in April, 131,947 cubic meters more of gas equivalent to oil in caloric value, or an 8.73 percent increase.

#### Oil Production

Of the 2,201,296 cubic meters of oil produced in May, 1,554,673 cubic meters were extracted by administration, compared with 1,508,525 cubic meters the month before; and 646,623 cubic meters by operating contracts, in contrast to 640,189 cubic meters in April.

During the first 5 months of the year, the cumulative oil production totaled 10,745,423 cubic meters, as compared with 11,539,992 cubic meters extracted during the same period in 1984 (6.9 percent less).

#### Gas Production

In May, of the 1,643,134 cubic meters of gas equivalent to oil in caloric value, 1,116,135 cubic meters were supplied by gas pipeline intakes of the State Gas company, compared with 985,025 cubic meters in April; a figure 131,110 cubic meters larger, representing a 13.31 percent increment. Reinjecting into the formation were 71,009 cubic meters, less than the April figure by 16,197 cubic meters (18.57 percent less), a reduction caused by the greater demand on the part of State Gas.

The remainder is broken down as follows: From the processed gas, 14,383,000 liters of liquid gas were extracted, compared with 13,941,000 liters obtained

during April, representing an increase of 44,200 liters (3.17 percent). The gas consumed in deposits, plus the sales to third parties and the gas retained in plants totaled 143,132 cubic meters, as opposed to 133,247 cubic meters in April; an increase of 9,885 cubic meters, or 7.40 percent. And 312,857 cubic meters were released into the atmosphere.

Of the 312,857 cubic meters released, 23.88 percent had been polluted with CO<sub>2</sub> (carbonic anhydride) or SH<sub>2</sub> (hydrosulphuric acid); and hence were not marketable; 29.94 percent was <sup>2</sup> in the form of low pressure gas, with low production and from deposits dissociated from the impounding system; 21.77 percent was gas released for operational reasons of State Gas and YPF; and 24.41 percent was gas not impounded for lack of facilities to receive it.

During the first 5 months of 1985, YPF impounded 7,493,512 cubic meters of gas equivalent to oil in caloric value.

#### Completed Wells

During May, 94 wells were completed (53 by administration and 41 by drilling contracts), in contrast to 78 in April, 20.5 percent more.

In the first 5 months of this year, 387 wells were finished (220 by administration and 167 by contract), as compared with 331 finished during the same period in 1984, with a 16.9 percent increase.

#### Industrialization

During May, the YPF refineries processed 1,599,334 cubic meters of national crude, compared with 1,316,887 cubic meters, or 21.4 percent more.

During the first 5 months of 1985, 7,360,521 cubic meters were processed, in contrast to 7,858,947 cubic meters processed in the same period of 1984, or 6.3 percent less.

2909

CSO: 3348/761

ARGENTINA

NEW OIL FIELD DISCOVERED IN SALTA

Buenos Aires LA PRENSA in Spanish 20 Jun 85 pp 1, 6

[Text] A major new oil deposit has been discovered by the Government Oil Deposits (YPF) company in the area known as Vinalar Norte, located on the southeastern border of the neo-cretaceous basin in the provinces of Salta and Formosa.

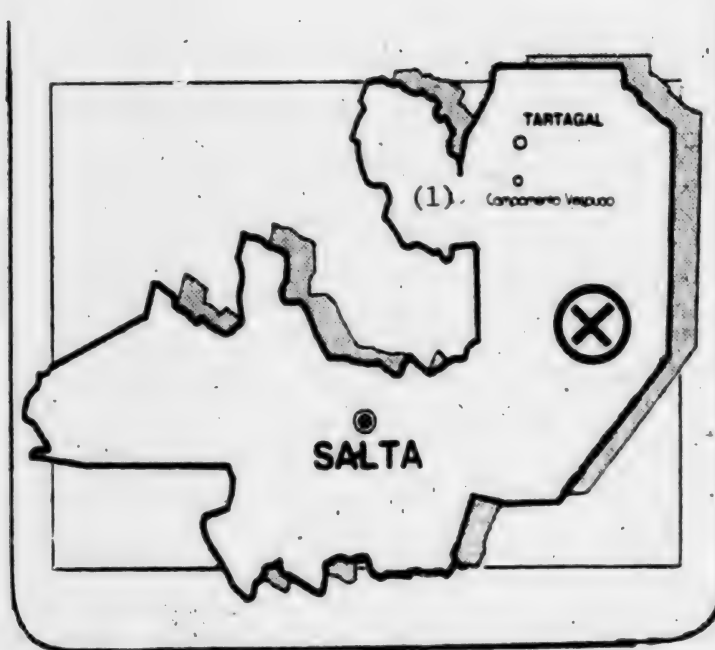
The deposit has an initial production of 557 cubic meters of oil per day, and 35,289 cubic meters of gas per day.

The well is located about 250 kilometers east-northeast of the city of Salta, and approximately 160 kilometers southeast of the Vespucio camp.

The YPF report noted that, on this site, the ST.EVN-X-1 well was drilled which, upon reaching a depth of 4,140 meters under the wellhead, determined the presence of hydrocarbons and the feasibility of its casing. This was done, and a spouting of oil and gas occurred, with a dynamic pressure of 89 kilograms per square centimeter, through an outlet orifice of 12 millimeters.

The state company observed that the work is continuing to take dimensions of the reserves in this new deposit, in which "well-founded hopes have been placed, because the formation is included in a geological environment similar to the one of Puerto Guardian (Salta Province) and that of Palmar Largo (Formosa Province)."





Key to Map.

1. Vespucio camp

2909

CSO: 3348/761

ARGENTINA

SAN JUAN PROVINCE ALLOCATED EIGHT OIL EXPLORATION SITES

Buenos Aires LA PRENSA in Spanish 23 Jun 85 Sec 2 p 6

[Text] San Juan--A detailed account of the oil exploration areas in San Juan was given by the national senator (bloc member), Enrique Gomez Centurion. As was announced at the time by the Ministry of Public Works and Services of the Nation, with respect to oil policy, one calling for the participation of international capital in the prospecting and potential operation, the legislator explained that San Juan is being assigned eight areas.

Areas

Sierra Morada: between the Bermjeo and Pagancillo valleys, in the border zone with La Rioja. It is an area of 7,000 square kilometers, and was already partially explored during the last decade by the Cities Service, Shell and Government Oil Deposits companies.

Rodeo: including Iglesia valley as far as zones bordering Tucunuco and Niquivil. It covers an area of 500 square kilometers, where no previous exploration has been carried out.

Mogna area: in the exact zone extending from Punta del Agua to the Pie de Palo mountain ranges where, at the beginning of the 1970's, the Shell company did exploration work with negative results.

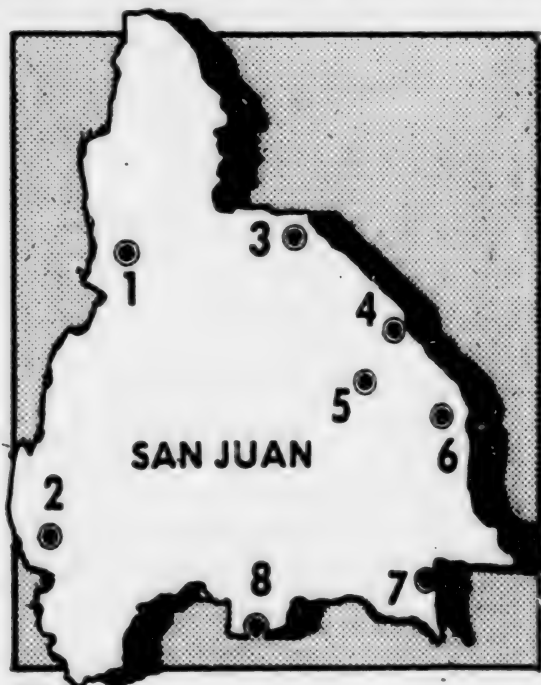
Valle Fertil area: on an expanse of 9,000 square kilometers, extending from the locality of the same name to Malanzan, in La Rioja, where there are no records of any previous work, except for a few seismic studies done by YPF.

Tamberias area: covers part of the valley of Calingasta, Puchuzun and Barreal. No prior exploratory activity.

Marayes area: from the Pie de Palo mountain range to the locality of Chepes, in La Rioja.

Pampa de las Salinas area: a section extending from El Encon to Pampa del Gigantillo, the border zone with northwestern San Luis.

Media Agua area: in the southern zone of San Juan Province, as far as the border with Mendoza, over an expanse of 9,000 square kilometers.



(1)

Numeradas en el mapa las áreas de exploración de petróleo. 1, Rodeo; 2, Tamberías; 3, Sierra Morada; 4, Valle Fértil; 5, Mogna; 6, Marayes; 7, Pampa de la Salina y 8, Media Agua

Key to Map:

1. Numbered on the map are the oil exploration areas: 1. Rodeo; 2. Tamberías; 3. Sierra Morada; 4. Valle Fértil; 5. Magna; 6. Marayes; 7. Pampa de la Salina; and 8. Media Agua.

2909

CSO: 3348/761

BAHAMAS

## PINDLING HAS HOUSE OF ASSEMBLY ADJOURN FOR FIVE MONTHS

### Action in House

Nassau THE TRIBUNE in English 12 Jun 85 p 1

[Article by Athena Damianos]

[Excerpts] PRIME MINISTER Lynden Pindling, in one of his infrequent appearances in the House of Assembly this morning, moved for a five month suspension of Parliament.

Shirlea MP Pierre Dupuch was on his feet protesting when the Speaker suspended the House until November 13 without putting the vote to the Floor.

Sir Lynden's move comes only two days after former Housing and National Insurance Minister Hubert Ingraham publicly warned that he will put names to faces of persons with the PLP, who he claims are "criminally connected" and who are trying to ruin his political career. Mr Ingraham promised to substantiate his statements with evidence "in short order."

Blue Hills MP Arthur Foulkes said after the suspension that the Prime Minister is afraid of further revelations being made against him by his own dissidents.

About five minutes after the House was called into session, Sir Lynden was on his feet, moving for the summer suspension.

Sir Lynden said that at the last meeting, House leader Clement Maynard indicated that Government intended to adjourn, but was prepared to come back to deal with a Resolution for a vote of no confidence that the Opposition had on the agenda.

He said that the Opposition did not intend to proceed with the Resolution and "since that was the only purpose for which the Government proposed to come back," he moved that the House be suspended until Wednesday, November 13.

(The Opposition had already stated that it would not proceed with the Resolution while its case against the Public Disclosure Commission is before the Courts. The teeth of the Resolution, which deals with Sir Lynden and his declarations under the Public Disclosure Act, was extracted because this issue

is sub judice, which means that while the matter is before the court it cannot be discussed. The Opposition does not want to move the Resolution until it can debate Sir Lynden's financial declaration. At the last sitting of the House the Opposition objected to the adjournment for the debate being set one day after the disclosure case opened in the Supreme Court).

"I think that what the Prime Minister has proposed is high handed and dictatorial," Blue Hills MP Arthur Foulkes (FNM) protested to the Speaker.

He said that the Government cannot have its way by telling the Opposition when to move its no confidence resolution. Mr Foulkes said that there were a number of other items on the agenda and "there is no reason in the world" why they should not be proceeded with.

The "summer recess" is unusually long--nearly half a year. Last year, the summer suspension ran from July 25 to October 10 and in 1983, it stretched from August 17 to October 5.

By suspending the House, Sir Lynden has effectively shut off debates on a number of controversial issues that appeared on today's agenda.

These items included a motion for a select committee to inquire into the sale of the Paradise Island Bridge and questions on whether Government has entered into a contract with a US political public relations/lobbying firm.

In addition to the above Opposition sponsored items, Mr Ingraham was down to move for eight Select Committees, including a Committee to consider the desirability and advisability of adopting a Code of Ethics for Members with special reference to conflict of interest, the acceptance of gifts, influence peddling and the need to regulate such a code.

Mr Ingraham also sought a Committee to consider the advisability of regulating and controlling political contributions with special reference to large foreign donors.

Mr Ingraham also wanted a Committee to consider convening a National Constitutional Conference. He was also down to move a Resolution recording the House's deep appreciation to PLP deputy leader Arthur Hanna for 25 years of "continuous, devoted, selfless and exemplary service to this Parliament, our nation and people."

"One of the reasons that he wanted to cut this (House) off is that he is afraid of further revelations being made by his own dissidents," Mr Foulkes said after the House suspended.

Mr Foulkes said Sir Lynden also wants to avoid answering the questions he tabled in the House about the US lobbying group the Pindling Government has hired.



Nassau THE TRIBUNE in English 4 Jun 85 p 1

[Article by Anthony Forbes]

[Text]

HOUSE Leader Clement Maynard, Minister of Tourism and Foreign Affairs, Monday evening moved for the Order of the Day on an Official Opposition resolution of no-confidence in Prime Minister Sir Lynden Pindling and his Government. This would allow the resolution to be debated at the next sitting of Parliament - Wednesday, June 12.

In moving for the Order of the Day, Mr Maynard said that nothing in the Free National Movement's resolution, tabled by Official Opposition Leader Kendal Isaacs over a month ago appeared to be *sub judice*. (In view of the disclosure case brought by the Opposition in the Supreme Court nothing that remotely touches on matters before the court could be debated because it would be *sub judice*).

Protesting the adjournment date, Mr Isaacs said that he did not expect a matter involving himself which is slated to start in the Supreme Court on June 11, to end in less than four days. The House debate would start on June 12, the day after the case opened in the Supreme Court.

According to Mr Isaacs, who has filed an action to quash a decision by the Public Disclosure Commission that Mr Isaacs' complaints against the Prime Minister were "unsubstantiated", said that it would have been safer to have an adjournment to a week after the start of the high court case.

However, Mr Maynard told the House of Assembly that matters of no-confidence must be dealt with as soon as possible and that the opposition resolu-

tion has been on the agenda for quite some time.

He noted that it is soon time for the summer break and he was giving the opposition an opportunity to deal with their resolution before the recess.

He said that it is parliamentary practice that no-confidence motions be dealt with expeditiously and that the FNM matter had been delayed.

Noting that he understood the opposition to be claiming that some parts of the motion are *sub judice* as they are before the courts, Mr Maynard declared: "I see nothing on this agenda which we can't debate."

He said that when the House meets again, he wants to be sure that it does so especially for the purpose of dealing with the resolution as he wants to give the opposition the chance to say what they want.

Mr Isaacs told the House that he was serious with the resolution and that the House Leader realizes that an important section is *sub judice*.

He also wanted to know if Mr Maynard's moving for the Order of the Day on the opposition's resolution was permissible and was told by Speaker Sir Clifford Darling that the House Leader could do so.

Works and National Insurance Minister Darrell Rolle introduced resolutions to the National Insurance Act 1972. One relates to the national insurance (contributions) "amendment" regulations and the other to the National Insurance (benefits and assistance) (amendment) regulations 1984.

Both resolutions were passed by the House of Assembly.

BAHAMAS

## WORKERS PARTY LEADER MONCUR QUILTS, AROUSES PARTY IRE

### Resignation Announcement

Nassau THE TRIBUNE in English 6 Jun 85 p 1

[Article by Marcia Bethel]

[Text]

POLITICAL activist and Workers Party Chairman, Rodney Moncur, announced his resignation from politics today. According to Mr Moncur he is "fed-up and tired of the fight."

Party leaders were shocked to receive Mr Moncur's letter of resignation last night. The resignation was effective from June 1.

In an interview today Mr Moncur said he has finally reached the end of the line and is fed up with the "demoralizing political situation in the the country."

"I am a poor man and the father of three children living in Black Village. For seven long years I have fought the battle and I know the time has come, I have gone as far as I can go," Mr Moncur said.

It is understood that at a Young Liberals rally last night Prime Minister Pindling reportedly told the Chairman of the Young Liberals, Ricardo Moncur, that perhaps he should adopt more of an activist profile like the other person with the same last name. He also reportedly commented that Ricardo Moncur should "put some sense" into the other Moncur's head because there is only one great party and that is the PLP.

Today Mr Moncur said that although he will no longer be involved in politics he hopes

that the other members of the party will continue the struggle.

"Despite the fact that the odds were against me during the past seven years, I continued to push forward. The disappointing fact is that there are others more capable than I who won't do anything to get rid of the government," Mr Moncur said.

He admitted that one of the contributing factors to his resignation is the "inaction of the Opposition Free National Movement." Last month the Workers Party issued a hard hitting statement criticizing the FNM for failing to deal effectively in removing the PLP government from power.

"How long can a poor man fight the struggle, when those who can, aren't willing to. Nobody seems to be sincere or serious about the situation," Mr Moncur said.

Mr Moncur has been demonstrating, rallying and speaking out against the PLP government since 1978. He has received considerable police harassment in his fight and just recently commented that he is unable to count how many times he was arrested.

At one of his first rallies Mr Moncur said: "Where there is the iron foot of oppression, there must be resistance." Mr Moncur's Workers Party represents the grassroot Bahamian and was formed "dedicated to

declare a relentless war against the PLP oppressors."

Today Deputy chairman of the Workers Party, Nicola Jacques said the party leaders are disappointed with Mr Moncur's resignation. He hopes that it will not affect the struggle of the party. He admitted, however, that Mr Moncur's driving force was a motivating factor for many of the members.

#### Party Reaction

Nassau THE TRIBUNE in English 12 Jun 85 p 4

[Article by Colin Higgins]

[Text]

FOUR officials of the Workers Party have signed a statement criticising founder and former Chairman Rodney Moncur who recently resigned from politics because he is "fed up and tired of the fight."

"I am a poor man and the father of three children living in Black Village," the well-known political activist and anti-Government demonstrator said on June 6.

"For seven long years I have fought the battle and I know the time has come. I have gone as far as I can go."

In a four page statement, Philip Miller, leader; Johnathan Robinson, deputy leader; Dennis Dames, secretary-general and Henry Dummett, treasurer claim that corruption is not only "rocking" the ruling Progressive Liberal Party (PLP) and the Opposition Free National Movement (FNM), but is also "causing tremors" in the Workers Party.

"True politicians can never give up the fight because they are constantly oppressed and are forced to strike back," the four Workers' Party officials said.

"True political struggle only comes to an end when political oppression comes to an end.

"It is foolishness to talk about getting tired, being poor and quitting the struggle when oppression and corruption are rampant.

"The resignation of Rodney Moncur," states the release, "bears out well that Biblical saying that 'many are called but few are chosen.'"

His followers see his resignation as a "betrayal" of the Bahamian people who were being asked to support his "rhetoric and activism," the Workers Party officers say.

Announcing his resignation last week, Mr Moncur said he was fed up with the "demoralising political situation in the country."

Moncur's four former associates disagree with this. The "corrupt PLP is closer now than ever before to its catastrophic end," they say.

"To a true political struggler, the situation today is heartening and prompts one to struggle even more fiercely."

Many persons feel that the political objective of charging the Leader and Chairman of the the Workers' Party with sedition was to break up "this dynamic force," continues the release.

"The resignation of Moncur fits perfectly into this strategy and must therefore be seen as a very serious matter, coming merely 44 days after the trial."

For too long, political leaders in the Bahamas have made "a mockery" of the Bahamian people, the four Workers' Party officers say.

The PLP said they would go "all the way", but there has

been corruption and drug smuggling.

The FNM said it was "time for a change" but now the time has arrived, "they are cancelling, postponing and pussy-footing."

The Vanguard Party's "communist rubbish" is described as "an outright and open insult to all Bahamians."

"Now, the Workers Party Chairman has jumped into the circus with much wishy-washy drivel to explain one of the biggest blunders in Bahamian political history."

"We accuse Bahamian political leaders of the PLP, FNM and Vanguard of truly believing that the Bahamian people are stupid and are too ignorant to understand issues."

The four Workers Party officers say they know Bahamian voters will soon reject these leaders.

Last week, Mr Moncur said that although he will no longer be involved in politics, he hopes the other party members will continue the struggle.

His four former party associates say they might "come to believe" that since Moncur has resigned, all of his political structures have become

"monuments to political foolishness" and must be "razed to the ground."

They might come to believe that the Workers Party is no longer an effective tool for dedicated Bahamians who scorn corruption, "and that the apparent insincerity of its founder has made it an organisation of insincerity."

Says the release: "In that event, without hesitation, we shall abandon the Workers Party and shall raise a new banner from a new political machine, which will be dedicated to the overthrow of corruption in public places and the establishment of a good Government comprising whites and blacks, women and men, Baptists and Anglicans, educated and not so educated."

"We declare political war on the PLP for its corruption, on the FNM for its impotence on the Vanguard for its ungodly communism and on the former Workers Party Chairman for his political foolishness."

The four Workers Party officers call on "the Bahamian majority" to "tally around decency and commonsense" and remove these entities from "the political arena."

BAHAMAS

## PLP ADMINISTRATION REMAINS UNDER FIRE OVER DRUGS ISSUE

### Criticism of Pindling

Freeport THE FREEPORT NEWS in English 17 May 85 p 2

[Editorial]

[Excerpts]

Those who contend that the nation's drug problem is bigger than politics are right. It must not however be allowed to become larger than the nation and for that reason Sir Lynden's failure to seek a fresh mandate from the people is being viewed with increasing alarm by many. Why has the Prime Minister insisted in continuing to drag the nation through the sordid ordeal of government by men some of whom have been connected to corruption — despite their denials — by the recent Commisison of Inquiry?

Perhaps if we knew the answer to that question, we would better understand the Prime Minister's steadfast refusal to listen to the voice of the masses and do the only honourable thing.

We repeat Mr. Foulkes' question — "What has he (the PM) got to fear?

Surely he wants to restore the national image of The Bahamas to the untarnished version which previously resulted in tourism booms and investment benefits for this country.

Government Parliamentarian Hubert Ingraham — a former member of Sir Lynden's cabinet — pointed out Wednesday that the bank accounts of more than 250 police officers of various ranks were found by the Commission of Inquiry to contain substantially more money than their official income suggests would be present.

This represents about one sixth of the Bahamas Police Force and it reflects negatively on the many honest policemen who excel at their duties despite shortages of manpower and equipment not to mention their meagre wages.



Mr. Ingraham correctly pointed out that society must accede to the Commission's recommendations and further investigate not only the police and defence forces but all governmental agencies found to have been tainted by corruption or drugs.

"How do we get rid of one-fifth or one-sixth of our police force in The Bahamas? Or put it another way, how can we afford not to get rid of them? he asked.

In the same vein how can this nation afford not to get rid of the present administration in the Churchill Building after some of their members have been found to have been "touched" by this drug scandal!

The national drug problem cannot be effectively eradicated if the government, itself under fire and suspicion remains in power — thus sending a clear message that it is possible to escape the consequences of our actions or inaction.

#### Ingraham Threat

Nassau THE TRIBUNE in English 10 Jun 85 p 1

[Article by Athena Damianos]

[Text]

FORMER Cabinet Minister Hubert Ingraham today vowed to put names to the faces of "criminally connected" persons within the PLP who, he claimed, are out to destroy him politically.

Mr Ingraham, who was asked to respond to an article appearing in Bahamas Today, the PLP propaganda weekly (see story this page), said he has been in each of the six issues of Bahamas Today.

"They are pursuing a relentless and shameless campaign of lies and distortions against me. They regard me as the principal opponent," the former Minister of Housing and National Insurance said.

"In fact, there are certain elements within the party who are criminally connected. There are certain criminal elements in the party who have sworn to get me," he claimed.

Mr Ingraham said that it will soon become evident and obvious who these people are because he intends to flush them out and put names to their faces and provide evidence to substantiate his statements that

some of those who are against him are motivated by criminal association and connections.

"The Bahamas Today I believe, or have good reasons to believe, is either controlled by or influenced by Everette Bannister," Mr Ingraham said.

"I have noted the persons who have advertised in Bahamas Today," Mr Ingraham said. He named the Grand Bahama Port Authority, the Grand Hotel, Bergmen's Enterprises, M&D Airlines, the Pilot House Club and Dion's Liquor Store.

"They too are out to get me. They may survive, but not without a fight. Truth is on my side," Mr Ingraham told The Tribune.

He said that the people about whom he spoke, but who he has not yet revealed, may succeed by telling lies about him.

"I only need to speak the truth about them and hope to succeed," he added.

"I think that the faceless and the nameless, the manipulators behind the scene of this malicious, lying propaganda campaign ought to be big

enough to come to the forefront. But, liars always have difficulty identifying themselves."

Mr Ingraham said what has been said about him does not matter because it was something he expected.

However, he was sorry that the same thing has happened to people like Arthur Hanna, Charles Carter, Perry Christie and Sinclair Outten.

He said that PLPs who are perceived to be less than 100 per cent supportive of party movements are treated in such a manner. He named Gladys Manuel as one such person.

Mr Ingraham said that the persons within the party he spoke of are "extremely supportive" of Kendal Nottage and George Smith, who were found wanting by the Commission of Inquiry.

He said that PLP chairman Sean McWeeney spoke to him about the latest issue of Bahamas Today. The issue printed a purported "memo" between Opposition leader Kendal Isaacs and Blue Hills MP Arthur Foulkes which conveys the impression that a notice tabled in the House by Mr Ingraham for a National Constitutional Conference was the FNM's idea.

"That's an outright lie. It is totally untrue. In fact, the idea for a constituency meeting came from Arthur Hanna. It was not my idea," Mr Ingraham said.

Mr Ingraham tabled the motion because Mr Hanna, who was in London, was not certain whether he would be in Nassau when the House met.

It was agreed that Mr Ingraham would proceed with the motion as he was on his feet in the House at the time the matter was brought up.

BAHAMAS

PLP ORGAN PRINTS DISPUTED FNM MEMO, TARGETS DISSIDENTS

FNM Disavowal

Nassau THE TRIBUNE in English 10 Jun 85 p 1

[Article by Athena Damianos]

[Text]

**THE BAHAMAS Today, the new PLP propaganda weekly, has been accused of manufacturing a "conspiracy" between the FNM and a former Cabinet Minister in an attempt to discredit a growing band of PLP dissidents.**

Bahamas Today, which replaces The Herald, reproduced a purported "memo", dated May 27, between Blue Hills MP Arthur Foulkes and FNM leader Kendal Isaacs, which reads in part:

"Hubert has assured me that he will table the notice re political contributions this week and Mr Hanna has agreed with him to our suggestion of a National Constitutional Conference.

"I am still concerned, however, about the separate meetings Mr Wallace-Whitfield has been having with the group and as you indicated to me I have told Hubert that from now on we negotiate on the preferred level. Mr Wallace-Whitfield has agreed."

The "Hubert" the newspaper refers to is obviously Cooper's Town MP Hubert Ingraham, who was fired from Cabinet last October before he could resign in protest of disclosures arising out of the Commission of Inquiry.

The "memo" also spoke about fielding PLP MP David Knowles as an FNM candidate.

"Hubert is also wanting Janet in a Family Island - Eleuthera," it says.

"I never received any such memorandum. There's no question about it!" Mr Isaacs said today.

He said he neither believed that Mr Foulkes wrote the "memo," or that the matters contained in it had been discussed between the FNM and Mr Ingraham.

"You remember the Caribbean Register? This is another hoax from the same quarter. Only this time it is clumsier. It is obviously designed to fool the most gullible PLPs," Mr Foulkes said.

The "Caribbean Register" was a fictitious "newspaper" that was circulating last December claiming that a non-existent Atlanta public relations firm sent out letters to 500 travel agents in the US and Canada asking them not to sell the Bahamas.

"In the first place, I do not write on Mr Isaacs letterhead," Mr Foulkes said. The "memo" is on the letterhead of "Kendal G L Isaacs, CBE, Party Leader."

Mr Foulkes, a capable journalist, said he knows how to spell "separate" and "undesirability," spelt "seperate" and "undesireability" in the "memo."

"I'm surprised that the

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PLP's slinky, lanky disinformers and dirty trickster doesn't know that. He's been familiar with my writing for many years," he said.

Mr Foulkes said he would not have written such a memorandum to Mr Isaacs, and that he uses his initials for his signature. The "memo" was signed "Arthur Foulkes" with "Arthur" typed below.

He found it odd that he would refer to his political colleague, FNM chairman Cecil Wallace-Whitfield, as "Mr Wallace Whitfield," but call a PLP MP by his first name.

Mr Foulkes said he wouldn't expect the fraud who wrote the letter to know he initialled his correspondence because the person would never have seen a memo he wrote.

He saw the "memo," which was splashed across the front page of Bahamas Today as a "very shallow and desperate

attempt to embarrass the PLP dissidents.

"No such discussion as referred to in the 'memo' has taken place," he said.

The headline story in Bahamas Today, "Glass House MPs Throw Stones," took a dig at MPs Arthur Hanna, Perry Christie, Mr Ingraham, Charles Carter, David Knowles and Moses Hall for a number of Bills that were tabled at the last sitting of the House of Assembly.

Among other things, Messrs Christie and Ingraham are seeking a select committee to consider regulating and controlling political contributions with reference to foreign donors.

Prime Minister Lynden Pindling has received several large gifts and contributions from foreigners, according to Commission of Inquiry evidence.

#### Publisher's Rejoinder

Nassau THE TRIBUNE in English 11 Jun 85 p 1

[Article by Athena Damianos]

[Text]

BAHAMAS TODAY "publisher" Bradley Crawley today claimed that a purported memo between Arthur Foulkes (Blue Hills) and Opposition leader Kendal Isaacs was authentic after the document was branded a fraud by the Opposition yesterday.

The "memo," splashed across the front page of the current issue of the PLP propaganda weekly, intimated that former Cabinet Minister Hubert Ingraham tabled a notice in the House for a National Constitutional Conference at the suggestion of the FNM.

The tone of the so-called "memo" was one that suggested a conspiracy between the former Minister of Housing and National Insurance and the FNM.

Mr Crawley, manager of the Paradise Island Bridge, claimed in a statement released today that the "memo" was "presented by a senior member of the Opposition party."

"I regard it (Crawley's statement) as absolute foolishness. No senior member of the FNM is so stupid as to concoct such an obvious fraud like this," Mr Foulkes said today.

"I would advise Mr Crawley to get out of that business as fast as he can and to have his name removed from the masthead of that sheet before he gets himself into serious trouble," said Mr Foulkes.

According to Mr Crawley, Mr Ingraham confirmed the contents of the memo by making a "public identification" with Mr Foulkes on the front page of The Tribune.

What Mr Ingraham was quoted by The Tribune as saying was: "That's an outright lie. It is totally untrue. In fact, the idea for a constituency meeting came from Arthur Hanna. It was not my idea."

Mr Ingraham also warned that he intends to put names to the faces of "criminally con-

"nected" persons within the PLP who are trying to ruin his political career. He promised to substantiate his statements "in short order."

He said he had good reason to believe that the newspaper is either controlled or influenced by Everette Bannister.

Mr Crawley "assumed" that Mr Ingraham was "merely seeking to cover himself in his present, very tenuous, position" within the PLP, said the Crawley statement.

"I don't propose to engage in a public debate with Mr Crawley," Mr Ingraham said when contacted for his comments today.

"I presume," said Mr Ingraham, "Mr Crawley has plenty of time to himself from his duties to the Paradise Island toll bridge - the same bridge Mr Bannister collected almost \$1 million on as a commission for effectively introducing the present owner to their next door neighbour," despite the fact that both parties had previous business contact.

Mr Ingraham said that Mr Crawley will have less time "if and when the present sale of the bridge goes through." He said he will reserve his energies to deal with the manipulators.

"I know of the trickery of the group involved with Bahamas Today. I also know of an acquaintance with QE Thomas," Mr Ingraham said.

QE Thomas is the pseudonym given to a writer with The Herald, the former PLP propaganda sheet, which has been replaced by Bahamas Today.

Mr Ingraham said he had a telephone conversation with PLP chairman Sean McWeeney yesterday.

"Mr McWeeney told me that the party has no connection or association with Bahamas Today," he said.

Mr Crawley's statement said, "It (memo) was presented to us by a senior member of the Opposition party, and I am entirely satisfied as to the authenticity of the document in question."

"Members of our editorial board were contacted and, after considerable reflection we determined to proceed with

publication since there was no reason to question the validity of the points contained in the memorandum, nor that of the signature of Mr Arthur Foulkes."

Mr Foulkes said that his signature could have been, "lifted" from any number of letters he has sent to various Ministries, his constituents and statements he has issued on behalf of the FNM.

He pointed out that the letterhead of "Kendal Isaacs...party leader" appears to have been cut off and pasted on top of the "memo." The "memo" was reproduced in two colours, obviously in a clumsy attempt to disguise the fact that the letterhead had been cut off of another sheet of paper, he said.

Mr Foulkes said that Mr Isaacs has written to the Prime Minister on this stationary on a number of occasions, the last time calling for his resignation.

Mr Crawley said that Bahamas Today has no responsibility for the type of stationary Mr Foulkes uses in writing to Mr Isaacs, "nor for the spelling mistakes which this 'experienced journalist' made in preparing his document."

"Since Mr Hubert Ingraham has unfortunately chosen to confirm the contents of the memorandum by making a public identification with Mr Foulkes on the front page of The Tribune, we may assume that he is merely seeking to cover himself in his present, very tenuous position with the Progressive Liberal Party," Mr Crawley said.

He did not say how Mr Ingraham "publicly identified" with Mr Foulkes. Both Messrs Ingraham and Foulkes, interviewed separately by The Tribune, denied that the contents of the purported "memo" had been discussed.

In a telephone interview, parts of which were not published yesterday because of deadline pressure, Mr Ingraham said:

"I have never had a discussion with the FNM, particularly Mr Foulkes."

Mr Crawley said that the same issue of Bahamas Today



that published the "memo" also published an extract from a letter sent by members of the St. Barnabas Branch concerning their MP, Sinclair Outten. He found it interesting that no one had questioned the authenticity of the letter.

"In all fairness, we would have expected The Tribune to have contacted Mr. Outten. Apparently they were not concerned about the second letter," he said.

"Finally, let me take issue with The Tribune's claim that Bahamas Today is an organ of the Progressive Liberal Party, and with Mr. Ingraham's claim that Mr. Everette Bannister is associated with this journal. These claims do a grave injustice to the independence of our newspaper...God willing, we will continue to press on, and assert our total independence from any political alignment."

Most of the staff of The Herald, the defunct PLP propaganda weekly of which Everette Bannister was publisher, are now employed by Bahamas Today.

According to Mr. Crawley, the record will show that Bahamas Today has extended its criticism to at least as many members of the governing party as to the Opposition.

What he did not say was that the criticism of PLP Members has been confined to the party dissidents and their friends.

The paper has been extremely critical of fired Cabinet Ministers Perry Christie and Mr. Ingraham. Messrs Christie and Ingraham had planned to resign from the Pindling Cabinet because they were disillusioned with the Pindling leadership as a result of evidence surfacing before the Commission of Inquiry. Prime Minister Lynden Pindling retaliated by firing them.

BAHAMAS

## SEPARATION OF UNION, PARTIES KEY THEME FOR LABOR DAY

### TUC Leader Remarks

Nassau THE TRIBUNE in English 8 Jun 85 pp 1, 2

[Article by Anthony Forbes]

[Text]

TRADE Union Congress Leader Arlington Miller told a divided Labour Day rally at Christie park Friday that the greatest stumbling block in the workers "stride towards freedom and justice, is not the employer or the politician, but the so-called moderate unionist more devoted to order than justice."

Also during the rally, Mr Donald Symonette, president of the Bahamas Union of Teachers and Mr Keith Archer, president of the Bahamas Communications and Public Officers Union, re-echoed the TUC's call for general elections to obtain a new mandate so the country can have respect at home and abroad.

The TUC's rally followed a well-attended parade of thousands of workers marching from Windsor Park along East Street to Bay Street, over Blue Hill Road, down Poinciana Drive to Christie Park.

Unions participating in the TUC parade included the BUT, the BCPOU, the Bahamas Public Services Union, Airport, Airline and Allied Workers Union, Brewery and Distillers Union, Distributors and Transport Workers Union, Bahamas Electrical Workers Union, Utilities and Allied Services Union, the Construction Workers Union and the Maritime and Port Workers Union.

Also marching with the Trade Union Congress Friday were members of the FNM Action Group, led by Yamacraw MP Mrs Janet Bostwick, Carmichael MP Mr Frank Watson and St Michael's candidate Mr George L J Wilson.

Minister of Labour, Youth, Sports and Community Affairs, Livingstone Coakley, was scheduled to address the TUC rally, but did not show up. However, his Labour Day address was broadcast over Radio Bahamas Friday.

Addressing the workers on the law and its application and the impact it has on the workers, Mr Miller noted that since the last Labour Day rally, many union leaders had to appear in court for whatever reason the authorities believed or felt was against their rule.

Mr Miller, who also heads the BPSU, said he was accused of saying that he wants to go to jail, but told the crowd that no one with any sense wants to go to jail.

"But what I said then and I repeat today is that some of us may have to go to jail for justice," he said. "And if I have to go, then I will go."

He said that sometimes a law is just on its face and unjust in its application, citing as an example his arrest along with other union leaders for de-

monstrating without a permit.

"Now, there is nothing in having an ordinance that requires a permit for us to parade. But such an ordinance becomes unjust when it is used to segregate and deny citizens the privilege of peaceful assembly and protest," the TUC leader declared.

Making two honest confessions, Mr Miller said firstly that over the past few years, he has been greatly disappointed in what he considers to be the moderate union leaders.

"I have almost reached the

regrettable conclusion that the workers' great stumbling block in his stride towards freedom and justice, is not the employer or the politician, but the so-called moderate unionist who is more devoted to order than to justice," he said.

He also said that such moderate unionists prefer a negative peace, which is the absence of tension, to a positive peace which is the presence of justice, and constantly agree with the goals but disagree with the method of action.

"He believes he can set the time-table for another man's freedom," Mr Miller said. "He lives by a mythical concept of time and constantly advises the workers to wait for a more convenient time. Shallow understanding from people of ill-will."

He said that he had hoped that the so-called moderate unionist would understand that law and order exist for the purpose of establishing justice and that when they fail this purpose then they become the dangerous structure that blocks the flow of social progress.

Further, he had hoped that the moderate unionist would understand that the present tension in the Bahamas is a necessary phase of the transition from an obnoxious negative peace in which the worker passively accepts his unjust plight, to a substantive and positive peace in which all men respect the dignity and growth of human personality,

"Actually, we who engage in action are not the creators of tension," Mr Miller said. "We merely bring to the surface the hidden tension that is already alive. We bring it into the open where it can be seen and dealt with."

"Like a boil that can never be cured so long as it is covered up but must be opened with all its ugliness to the natural medicines of air and light, injustice must be exposed with all the tension its exposure creates to the light of human consciences and the air of national opinion before it can be cured," he said.

"I hope you are able to see the distinction I am trying to point out. In no sense do I advocate evading or defying the laws; as would the rabid oppressor will have you believe; this would only lead to anarchy," Mr Miller said.

"One who breaks an unjust law must do so openly, lovingly and with a willingness to accept the penalty," he said.

"I submit that an individual who breaks a law that conscience tells him is unjust and who willingly accepts the penalty of imprisonment in

order to arouse the conscience of the community over its injustice, is in reality expressing the highest respect for the law."

In his remarks, Mr Keith Archer of the BCPOU, said that as a trade union movement, members must stand for justice anywhere and every-

where.

He said that the destruction of people in Ethiopia met with massive response. He forcefully condemned the cold-blooded killing of men and women and children in South Africa.

"The BCPOU is squarely opposed to the slaying of blacks in South Africa. We request that our Government put a stop to all financial transactions through local banks with South Africa as a genuine commitment against apartheid," Mr Archer said.

"The BCPOU has had its election. The voting was clearly conducted. The cry for election goes on. We have put ourselves to the test in the BCPOU. We dare the compromised to do the same. Follow the example of the great BCPOU," Mr Archer said.

His statement re-echoed a call by the TUC several months ago for the Government to resign and call fresh general elections following the Report of the Commission of Inquiry into drug trafficking which made adverse findings against two former Cabinet Ministers, a Senator, a Member of Parlia-

ment and other officials.

"You say Keith Archer is saucy. You say Keith Archer is rude. Well you can say what you like about Keith Archer, but what you will have to respect Keith Archer for is the fact that he did go to the people, and the people spoke loud and clear. Now it's your turn. I have won mine. I dare those on the other side to do the same," he challenged.

Mr Donald Symonette, President of the BUT, told the rally that crime is rampant in the country today and the young people are drugged out.

"Where are we going?" he asked. "We hear from the Commission allegations against people in high places. Nothing has happened."

The BUT chief noted that "people that are very small, having jobs, are saying that if the big ones can do it and get away, I can do it."

"I would like to re-echo what the TUC has already said. I think that the people who are elected must go back to the people again for a new mandate so that this country can have respect at home and abroad," Mr Symonette said.

#### PLP Action

Nassau THE TRIBUNE in English 8 Jun 85 pp 1, 2

[Article by Anthony Forbes]

[Text]

THOUSANDS of Progressive Liberal Party members, including Prime Minister Sir Lynden Pindling, marched with the Bahamas Hotel Workers Union in its Labour Day parade Friday, despite a report on Thursday that the union had withdrawn its invitation to the country's political parties to address its rally.

And during a rally at Jumbey Village following the parade, union president Thomas Bastian announced that his union is not going to help the ruling PLP, the official opposition Free National Movement or the Vanguard Nationalist Socialist Party.

FNM Blue Hills MP Arthur Foulkes and Senator Sean

McWeeney, National Chairman of the PLP, both confirmed Thursday that the hotel union, which is embroiled in disputes in both Nassau and Freeport, had unexpectedly withdrawn its earlier invitation to the two parties to participate in its parade.

Prime Minister Pindling, Sen McWeeney and PLP Deputy Leader Arthur Hanna, the former Finance and Deputy Prime Minister who resigned in October, 1984, marched shoulder to shoulder on the hotel union parade yesterday with thousands of party members and supporters, including MPs, Senators and Young Liberals.

The PLP crowd marched

behind the Bahamas Hotel Workers Union, East Side Stevedores Union, the United Brotherhood of Longshoremen's Union and the Straw Vendors Union and were led by several huge trucks blasting reggae music.

However, neither the Prime Minister nor any of the PLP leaders addressed the Hotel Union Labour Day rally, which was held at the same time that the Trade Union Congress was holding its rally at Christie Park, marking the fourth year that the TUC and hotel union have been divided.

The Prime Minister mingled and chatted with the crowd for about half an hour and then left Jumbey Village.

It is understood that politicians were notified by the union on Thursday that they would not be allowed to address the hotel union rally.

Departing from the prepared text of his address, Mr Bastian told the workers that their contract, which is being negotiated with the Bahamas Hotel Employers Association, is before the Arbitration Tribunal and he cannot comment on it because the matter is *sub judice* and has to remain a private matter until it is cleared by that body.

"We as a people should wait and work because waiting sometimes brings the results of receiving," Mr Bastian declared. "If we rush too fast we might get caught up in a web of difficulties and good comes to those that wait."

Bahamians, he said, must understand that a new society can only be built through hard work.

"Too many of the Bahamian people are caught up in the web of destroying one another and this is a serious problem this country faces. Every Bahamian hates to see another Bahamian live," Mr Bastian said.

"On the job, in the Church, in the unions, in the Government, out the country, in the society, we do not try to put our efforts in the right place," he said.

"The country only could have one leader, the union only could have one leader, the

Church only could have one. Until they changed through the system then we should support who they are," Mr Bastian declared.

"The time will come when the people will have to see and they will see and they will be expected to think. But I'm not going to help no FNM, I'm not going to help no PLP and I'm not going to help no Vanguard," he said. "We all are people of the Bahamas and we should enjoy what this land has to produce."

"There is a legal and proper system by which changes are brought about and we must respect that system until change comes and I hope and I pray that there will be no dictatorship come about but that real democracy will be a democracy by which we will be respected by every living Bahamian in this country," he said.

"Change came in 1967, change will have to come and will continue to come and if you don't respect change, you'd better lay down and die now," he said. "We must understand that if we are going to survive, we are going through a society of change and just when people born they die and people who live are going to have to die one time or the other."

"And I hope, my brothers and sisters, that next Labour Day we won't be on this ground. We will be some place else showing you the workers' power," he said.

"The workers do not understand that without their power in society, they will have no direction and they are bound to follow destructive courses," he said. "And I say to you we must build workers power so that politicians will liberate workers on their jobs, where the workers will demand their just due and the people will be respected because only the people can save the people."

In his hard-hitting prepared remarks, Mr Bastian also called on Government to rectify the "many deficiencies" in the Industrial Relations Act, not in 1986 or 1987, but in 1985, and to move with "jet speed" to



ensure the opening of five major Freeport resorts.

Mr Bastian said the union will not be satisfied as long as labour laws lack substance and relevance and fail to fully address the problem of workers, and until the system provides an opportunity for a clear line of growth and development and a sense of security and self actualization for workers.

He noted that 27 years ago, the men in whose symbolic shadow trade unionists today stand, took a decision that they could no longer continue to endure the suffering of political and economic injustices and hardships. This decision was the foundation for ending economic, political and social bondage and brought in a new wave of political action.

However, said Mr Bastian, 27 years later, the workers still cry out for justice, their lives are still sorely crippled by the manacles of inflation and the chains of an unjust and ungodly tax system, which penalizes the poor but allows the wealthy to become even wealthier.

He said that today many of the workers still live on a lonely island of poverty, surrounded by a vast ocean of material wealth and individual prosperity, and must still endure the hardship of neo-colonialist labour laws, which protect and uphold the interest of the masters, but neglect the legitimate needs and aspirations of the working masses.

"Our dissatisfaction has been echoed many times before about the weaknesses of the Industrial Relations Act and where workers are without adequate protection," he said.

"We find that the present Act is very deficient when dealing with today's labour problems."

"It is against this perspective that the role of the law has to be examined and assessed. We therefore call upon the Government to rectify the many deficiencies in the Act, not in 1986, not in 1987, but in 1985," Mr Bastian said.

Mr Bastian said that the survival of the nation is in grave danger if the present trend of high unemployment is not eradicated soon.

He called upon Government and private enterprise, after consultation with all trade unions, to explore the possibilities of a comprehensive youth employment programme with special incentives to new investments, based on a commitment to hire and train the young and unskilled workers in the Bahamas.

"We appeal to the Government to move with jet speed to ensure the opening of Xanadu Beach, Lucayan Bay, Beach, Harbour Inn and the Arawak Hotel," he said. "We also call upon the Government to ensure the opening of Riding Rock Inn in San Salvador, and the Cape Eleuthera resort, as soon as possible."

Applauding Government's efforts to pursue agricultural development and diversification of the economy, Mr Bastian said that sadly Government's vocal commitment to that goal has been more talk and not sufficient action.

He said the country continues to import millions of dollars in food produce each year and pointed out that no country can consolidate nor sustain its sovereignty if it lacks the ability to substantially feed its people.

Nassau THE TRIBUNE in English 8 Jun 85 p 1

[Article by Marcia Bethell]

[Text]

ADDRESSING the Labour Day Parade in Grand Bahama yesterday Trade Union Congress Secretary General A Leonard Archer called on workers to lead the Bahamas out of the throes of its moral and spiritual crisis. He urged the TUC to "agitate and demonstrate" until the purge is completed.

Mr Archer said that it is up to the workers to lead the fight for the return of sanity to the Bahamas.

He said that "our political institution has failed us, since it is unable to purge itself" of those persons who have been found wanting by the recent drug Commission of Inquiry and "who now sit in the hallowed hall of Parliament."

"Our religious institutions, with the exception of a few ministers, have bowed the knee to Baal. They seem to care more about the feelings of the Prime Minister than they do about the teachings of God," Mr Archer claimed.

He further charged that the Bahamas legal system has also failed, "because many of our lawyers seem to be more concerned about making money than providing justice."

Mr Archer also told the hundreds of workers attending the march that they need to be very concerned about the poor quality of labour laws in the country and the lack of government to do anything to correct the deficiencies.

"In 1982 the TUC submitted to a Parliamentary Committee a comprehensive list of amendments to the Industrial Relations Act and the Fair Labour Standards Act, but nothing was done," Mr Archer reported.

He said that in 1984 this list was resubmitted to the Ministry of Labour and again nothing has been done.

"While the government fiddles, workers are losing their

jobs and new workers are unable to find jobs. Something must be done about this situation. We have already waited too long for Parliamentary action," Mr Archer said.

The Trade Union activist reported that if a worker is dismissed with or without a cause, an appeal must be made to the Common Law which says an employer can dismiss a worker at his pleasure provided he gives the worker adequate notice.

"We in the Trade Union Movement had thought that the process of Arbitration would assist the workers, but recent Court of Appeal rulings state that an Arbitration tribunal can only award what is in the contract and many of the workers in the Bahamas are not covered by contracts and are at the mercy of the employer. This state of affairs must change," Mr Archer said.

Dealing with unemployment, Mr Archer said Government is obviously embarrassed by its lack of success in job creation because it has refused "to have the Department of Statistics survey unemployment or publish unemployment figures."

"We are therefore left to guess at the numbers and our best guess is that it may be as high as 30%. Whatever the numbers, the large numbers of unemployed persons in our country is a living testimony of the failure of past and present employment policies," Mr Archer said.

Mr Archer also called on Trade Unionists in the Bahamas to be on guard to see that the people's savings in the National Insurance Fund are not used for partisan political purposes.

"It would seem," he said, "that the National Insurance Funds are the only money available to the Government at the moment and in its vain attempt to bolster its tarnished

image, these funds might be spent on vote getting political projects."

Mr Archer said the TUC has a duty to see that the money is spent on essential social projects, that benefit all the people.

"One such essential social project is the implementation of a National Health Scheme, and we have strongly supported such a scheme from that time. We note with interest that the government is belatedly proposing to introduce such a scheme."

Mr Archer also expressed sadness that the labour unions have had split celebrations again this year.

JPRS-LAM-85-063  
23 July 1985

#### Isaacs on Union Movement

Nassau THE TRIBUNE in English 10 Jun 85 p 10

[Article by Colin Higgins]

[Text]

THE UNION movement should never be "swallowed up" by any political party, Opposition Free National Movement leader Kendal Isaacs, QC, told a Bahamas Trade Union Congress (BTUC) Labour Day rally in Freeport Friday.

The party leader said the FNM's policy is that industrial relations should be based on the tripartite system with trade union movement, industry and Government "filling out the functions" of the system.

"It follows from our philosophy, therefore, that the trade union movement should be free and independent and not be an appendage of any political party, whether PLP, Vanguard or FNM."

Suggesting that the BTUC's resources can and should be brought to bear on some of the "special problems" besetting the nation, Mr Isaacs said that for many years full employment has been promised but year after year the promise has failed to materialise.

Drug dealing and drug addiction are "devastating" the country and "taking a terrible toll in terms of shattered values and degraded lives, with a

corresponding escalation in criminal activity unprecedented in the Bahamas," Mr Isaacs said.

He advised listeners never to give anyone the impression that they approve of drug dealers.

"In fact, you should make it known whenever the occasion arises that, although the pusher might live in a big mansion and drive expensive cars, you have no respect for him.

"But do not abandon your friends and relatives who have become hooked on drugs," said the leader of the parliamentary opposition. "Their suffering is immense and their lives are wretched.

"You must patiently work to rescue them and, if possible, put them in the way of professional and spiritual guidance."

Workers of the world have come a long way since the days of the Industrial Revolution when "men, women and children were cruelly exploited by the captains of industry," Mr Isaacs noted.

"The workers were treated in those days as little better than the machines in the factories."

The speaker said independence is "very important" and

contributes to the strength of the trade union movement as a whole. He added that this does not mean unions should not affiliate and form national associations.

"I know that there has been experimentation with the idea of marriage to a political party. What the movement has gained from that marriage is for you to assess but from where I sit it seems that you might have sustained some losses," Mr Isaacs continued.

"I know that you have lost the services of at least two persons with considerable education and experience in trade unionism. But enough about that."

Mr Isaacs said the resources and organisation of unions have "tremendous potential" for assisting with the development of workers and their families in terms of education, housing and improved quality of living - "including the important element of cultural development."

Beyond this, he said, the human, financial, organisational and political resources of unions "can and should" be brought to bear on some of the "special social problems" besetting the Bahamas today.

The speaker said he referred to unemployment, especially the high rate of unemployment among young people.

"I suggest that you cannot be satisfied with a society in which 40% of our young people are having their years wasted away and their self-reliance undermined in idleness and despair; where so many people of mature years - men and women - are unable to find jobs so they can provide the basic necessities for their families."

The FNM leader called unemployment a social evil and said it is obvious that the trade union movement is weakened with thousands of potential members who are jobless.

"The truth is, of course, that the whole society loses through chronic unemployment. People become disillusioned and bitter,

families are strained and even broken and many young people are tempted to turn to crime."

In these sad circumstances everyone had to pay, "some, perhaps, even with their lives."

Mr Isaacs said that the philosophy of the FNM is that legislation, which will affect groups of people such as trade unionists, professional people and business people should not be passed in Parliament without consultation with the group to be affected.

The FNM believes that there are some things in the labour laws that need to be "looked at," for example the current arbitration process.

"If you think the Opposition should move for changes now, we would be glad to hear what you might have in mind. Quite frankly though, I must tell you that the present majority in Parliament would not be at all likely to look with favour upon anything proposed by the Opposition," said Mr Isaacs.

"So you might like to consider whether you should first approach the Government with a view to making changes in the existing legislation."

The speaker said what concerns him most about the drug problem is the "multiple injuries being sustained by so many of our young people."

He talked of exposure to "incredibly large sums of money" which may "colour forever" a person's comprehension of the value of a dollar.

He spoke of the ruin done to a person's appreciation of and respect for "an honest trade or profession."

"The person who becomes a user of narcotics is immediately in grave mental and physical danger. Even death can result from over-dosing or suicide. Some who live may sustain permanent injury, including brain damage, and may end up as misfits in our society."

Mr Isaacs suggested that the BTUC educate its members to the "realities" of drug abuse.

BAHAMAS

## TEACHERS UNION HITS GOVERNMENT FOR INACTION ON PROBLEMS

Nassau THE TRIBUNE in English 10 Jun 85 pp y, 13

[Article by Juliette Storr]

[Excerpt]

BAHAMAS Union of Teachers president Donald Symonette has warned that his union will not sit idly by while the Ministry of Education and others play games with teachers' welfare and the education of Bahamian children.

The teachers union also warned that "a potentially explosive situation" has been allowed to "brew unchecked" at the Stapledon School for the Mentally Retarded where "a work-to-rule" industrial order is still in effect.

Addressing a press conference Wednesday at the Bethel Avenue headquarters, Mr Symonette said that for months his executive has been trying to conclude negotiations on a number of outstanding matters without success.

"The Minister of Education, the Ministry of Education, and the Department of Public Personnel by their uncooperative attitude seem to scoff at our diplomatic approach to problem solving," he said.

He said the union want to inform the public, the Minister, his Ministry and the Department of Public Personnel that they are not interested in an unnecessary tug-of-war with the Ministry of Education and the Department of Public Personnel in its attempt to establish better working conditions for teachers and more realistic educational

opportunities for Bahamian children.

The last time the union met with Minister of Education Paul Adderley was three months ago to discuss the Stapledon School problem, but as yet nothing has been done, he said. They also met on May 20th and up to now nothing has been done.

"Since February of this year, the BUT has been in collaboration with the Ministry of Education on the Stapledon School problem, but to date no effective solution to the problem is in sight. The matter was most recently referred to Minister Adderley who has shown contempt for the Bahamas Union of Teachers executive by not acknowledging receipt of the correspondence on the matter. Meanwhile, a potentially explosive situation is allowed to brew unchecked at Stapledon," said Mr Symonette.

On January 28th this year, the Ministry of Labour supervised an Agency Shop Poll with public school teachers and the BUT won the vote by an eight percent margin. But the implementation of the vote is being held up by the Department of Public Personnel (DPP) and the union finds it difficult to understand why that department considers it so hard to implement the vote, which another government department has already approved.



BARBADOS

# OPPOSITION MOTION CALLS FOR MINISTER'S REMOVAL

Bridgetown BARBADOS ADVOCATE in English 5 Jun 85 p 1

[Text]

Opposition MP for Christ Church West Central Mr. Maurice King yesterday tabled a Resolution expressing a lack of confidence in the Minister of Transport and MP for St. Michael West Mr. Vic Johnson.

It is calling for his removal from the office as a Minister.

The full text of the resolution reads:

"WHEREAS the Honourable Member for St. Michael West Central holds the office of Minister of Transport and Works and is responsible to this House for the expenditure of public funds by the Ministry of Transport and Works.

"AND WHEREAS in accordance with public policy the Honourable Member for Saint Michael West Central in his capacity as Minister of Transport and Works is charged with the responsibility 'inter alia' of providing roads specifically to serve the interests of tenants on plantations.

"AND WHEREAS the Ministry of Transport and Works constructed a road out of public funds on private property namely Trents Plantation in the parish of Saint Lucy ostensibly to serve the interest of tenants on Trents Plantation.

"AND WHEREAS HER MAJESTY'S LOYAL OPPOSITION warmly approves the provision of roads for the tenants on Trents Plantation and on other tenantry lands in Barbados.

"AND WHEREAS the Ministry of Transport and Works has constructed a road on Trents Plantation far beyond the limits necessary and essential for the legitimate use and requirements of the said tenants and in such a way as to facilitate the development of Trents Plantation for the private use and benefit of the owners of and other persons interested in Trents Plantation.

"AND WHEREAS the Honourable Member for St. Michael West Central has an interest in Trents Plantation and has never declared such interest to Parliament.

"AND WHEREAS the extension of such road on Trents Plantation beyond what is necessary for the use of the said tenants was financed from public funds and thereby constitutes unlawful expenditure of public funds for private purposes and an abuse of ministerial office and of public trust.

"BE IT RESOLVED that this House expresses its lack of confidence in the Honourable Member for St. Michael West Central in his capacity as a Minister of the Crown and calls for his removal from office as a Minister of the Crown."

Notice of this Resolution was given on May 30th, 1985.  
Leader of Government business in the House of  
Assembly, Mr. Lionel Craig promised to do everything in  
his power to have a censure motion brought by the  
Opposition against Minister of Transport and Works, Mr.  
Vic Johnson, televised.

He said that in a democracy, Government and the  
Opposition must work hand in hand, adding that he was  
prepared to debate next week the resolution tabled by  
Opposition MP Mr. Maurice King.

Mr. Craig in reiterating his position on the matter,  
stated that if necessary he would debate the matter for a  
whole day starting at 9 a.m.

CSO: 3298/804

BARBADOS

NEW CABINET, PENDING ISSUES, PROBLEMS ASSESSED

Bridgetown BARBADOS ADVOCATE in English 5 Jun 85 p 4

[Editorial]

[Text]

Prime Minister Bernard St. John's announced reshuffle of his Cabinet effective on June 15 indicates that he is stamping his own authority on the scheme of Barbados' administrative affairs. The reshuffle had been anticipated. Now it has been announced Barbadians will more closely scrutinise the Barbados Labour Party's performance in Government, especially now that elections are constitutionally due next year. Cabinet reshuffles are implemented for various reasons. These include bringing new blood and ideas into Cabinet, redirecting emphases on various policy lines as may seem desirable or expedient, and channelling obvious administrative talent into new portfolios. Whatever form the reshuffle takes it is intended to revitalise the functioning of government.

The reshuffle comes at a time when Barbados is experiencing a number of problems including high unemployment, business closures, declining trade, highway deterioration, and high energy costs. The electorate must have reposed considerable confidence in the Barbados Labour Party administration for it has won two by-elections — in St. Peter for the seat previously held by former Speaker of the House of Assembly, Mr. Burton Hinds; and in St. Thomas where the newly named Attorney General and Minister of Legal Affairs won the seat made vacant by the death of Mr. Tom Adams,

former Prime Minister.

But the acid test of general elections must be faced not later than next year and the Cabinet reshuffle must have been considered with this fact clearly in the forefront of consideration.

Most likely to face heavy pressure as the result of the reshuffle are the Minister of Commerce, Industry and Consumer Affairs; the Minister of Agriculture and Natural Resources; and the Minister of Education and Culture.

Barbados' industrial and commercial climate has been experiencing heavy weather over the past few years. Part of the problem has been the global recession which still affects large parts of the world but seems to be easing in the United States. The chances for reviving regional trade seem minimal at present, therefore, extra-regional trade must be the avenue down which our commercial revival must travel. How to generate industrial revival and reduce the numbers of jobless will be the pressing priority.

Consumer Affairs have also languished. Part of the blame must be laid at the doorstep of the consumers themselves, but the final responsibility is with the administrative authority.

The Ministry of Agriculture and Natural Resources will have to deal with problems of feeding the

country and continuing to develop systems and programmes to achieve this end. The level of food imports is astronomical, even although there has been considerable success surrounding efforts to reduce it, these efforts must be intensified and solutions must also be found for the heavily beleaguered sugar cane industry.

Energy problems are also vitally important. Petroleum recovery has been continuing and controversy has surrounded some moves in the industry. Research and experimentation in alternative sources of renewable energy such as wind and wave energy must be accelerated.

Education continues to concern Barbadians at every socio-economic level. Opportunities for schooling and the improvement of physical plant have been continuing, but there is evidence that the end product — adequately educated Barbadians — leaves much to be desired. Efforts must be redoubled to remove the inequalities in the system and to find the solutions that will prepare Barbadian children for the world of work in this fiercely competitive

world.

Pressure will also continue on Minister of Transport and Works, Mr. Vic Johnson, who has not been affected by the reshuffle; and on Senator O'Brien Trotman, Minister of Health, who has had the responsibility for Social Security added to his portfolio.

The National Health Service is scheduled to come on stream later this year and there have been problems about its operation vis a vis the Barbados Association of Medical Practitioners. Social Security also must keep up to date with national needs.

Highway improvements are taking place, more are planned. But while there are obvious projects in train, the quality of the major road networks is deteriorating much to the discomfort and expense of road users.

How the Government performs following the reshuffle will be closely monitored by the electorate and will have a bearing on whether the present administration will retain power in the next general elections.

BARBADOS

## JOINT VENTURES STRESSED IN DEVELOPMENT PLAN

Bridgetown BARBADOS ADVOCATE in English 1 Jun 85 p 1

[Text]

The Barbados Industrial Development Corporation is putting special emphasis on joint ventures and sub-contracting arrangements in its second development plan, IDC Chairman Fred Gollop has said.

He was speaking yesterday at the opening of "Pelican House", new headquarters of the IDC.

Mr. Gollop said the IDC was also urging Barbadians to become more involved in the industrialisation process.

"In difficult times, some jobs have been lost, but in its lifetime the Corporation has created over 15 000 jobs and established over 160 factories in its industrial estates throughout the island. In the end result, foreign exchange has been earned and considerable industrial growth has been achieved," the IDC Chairman said.

Mr. Gollop noted that successive Governments have charged the IDC with stimulating and promoting industrial development and creating job opportunities through manufacturing.

But he regretted that the role played by the corporation in the general

development of Barbados was sometimes forgotten in the face of new statutory organisations which have mushroomed and multiplied in recent years.

"Twenty-eight years ago, from modest beginnings as the Barbados Development Board, the Corporation developed to the point where in 1971 it transferred responsibility for development financing to the Barbados Development Bank, and in 1977 passed the mantle of export promotion to the Export Promotion Corporation. In its very early years the IDC also assisted in tourism development," Mr. Gollop told guests at the official opening.

Four IDC employees were each presented with \$200 awards in the "naming competition." The winners were Trevor Lovell, Greta McCollin, Ronnie St. John and Keith Yearwood who had all suggested the name "Pelican House." The prize was to have been a trip to New York but with four winners, it had to be reduced.

Mr. Gollop presented the awards to the winners.

CSO: 3298/804



BARBADOS

MANUFACTURERS WANT GOVERNMENT TO MEET WITH TRINIDAD

Bridgetown SUNDAY ADVOCATE in English 2 Jun 85 p 1

[Text]

MANUFACTURERS in Barbados are appealing to Government to have an urgent meeting with the Trinidad Government "to protect our interests." One manufacturer has said that it seemed as though the two governments were waiting for the Caricom summit, to be held here in early July, to thrash out the trade problems being encountered.

But the manufacturer said that, in the meantime, "we cannot plan our programme."

"We want to organise our programmes ... and know what commitments we should give for raw materials. It is a complex situation and nothing that the business community in the two islands can work out for themselves," the local manufacturer said. "It is something which our leaders have to follow through for us."

Reports out of Trinidad last week said that twin-island state was putting an 18-month freeze on all garments from extra-regional sources.

That country's Industry Minister, Mr. Wendell Mottley, said there would be a declaration of a stabilisation period during which the Trinidad manufacturing sector was expected to "put its house in order and improve its own efficiencies and relative competitiveness."

The country has also announced the establishment of a Garment Advisory Committee charged with developing its

local industry and identifying areas where restrictions were specifically needed.

It has also been indicated that some garments from within Caricom will be put on freeze during the time period mentioned.

Trading problems between Trinidad and Barbados surfaced two years ago. That country was Barbados' main Caricom trading partner.

The Barbadian manufacturers said there has been no steady flow of import licences from Trinidad.

"Last year they were giving licences on and off but for the month of February this year alone no licences were given," the manufacturer added.

Another local producer, who has a "good" market in Trinidad, hoped that Government would not make decisions at Cabinet and take them to Parliament before holding discussions with manufacturers.

"We are still at square one," he said in relation to trade or "non-trade" with Trinidad.

CSO: 3298/804

BARBADOS

# GOVERNMENT SEEKS INTERNATIONAL AID FOR TELECOMMUNICATIONS

Bridgetown SUNDAY ADVOCATE in English 2 Jun 85 p 1

[Text]

BARBADOS has appealed for urgent international help for a multi-million dollar project to correct the telecommunications imbalance among member states in the 13-nation Caribbean Community (CARICOM).

Minister of Information and Culture, Senator Nigel Barrow, citing the high importance of these facilities to economic development, made the call at a meeting of the International Telecommunications Union (ITU) in Tanzania.

Senator Barrow noted that...if the countries with the lowest penetration rate (for telephones) are assisted first, it is estimated that some US\$2 250 million would be required over the next five years."

He said whereas Barbados, with a population of 250 000 enjoyed a penetration rate of 22.34 main telephones per 100 of population and 32.5 total telephones per 100, neighbouring St. Vincent and the Grenadines, with a population of 115 000 had a rate of 5.5 per 100 of population.

"This disparity operates a serious constraint to the development of the Caricom sub-region in terms of trade,

tourism and simple social contact," Senator Barrow added.

The Barbados Information Minister said that no less than half of the CARICOM states fall below a penetration rate of 10 per 100 population.

"If improved access to the telephone in the Caricom sub-region as a whole is to be achieved, with the resultant economic and social benefits, then disparity in telecommunications infrastructure must be addressed as a matter of urgency..." he added.

Senator Barrow noted that regional economies were closely interwoven and it was important that every CARICOM country should have the capacity to communicate freely and easily with one another and with other parts of the world.

The meeting, held at the Tanzanian International Convention Centre in Arusha, studied a report by an independent commission on how to develop telecommunications worldwide.

Senator Barrow offered Barbados to the ITU as location for the siting of a sub-regional centre for telecommunications development to serve the Caribbean sub-region.

CSO: 3298/804

BARBADOS

BRIEFS

MISSION TO GRENADA--Mr. Randolph Field, chairman of the Barbados Export Promotion Corporation, left Barbados yesterday at the head of a trade mission to Grenada. The mission, comprising 14 local manufacturers, will meet with potential buyers in Grenada and discuss trading between the two islands. They return home on Thursday. Companies represented on the mission are the Arawak Cement Plant, Contempra Shades, Elias Industries, Feb (Caribbean) Limited, Barbados Packers and Cannery Limited, Barbados Packaging Industries, Hanschell Inniss Limited, AHI (Caribbean) Limited, Letchworth Press, Winifred Enterprises, Trowel Plastics, Evelyn Industries, Harris Nail and Wireworks and Sanpro Limited. Accompanying the manufacturers from the Export Promotion Corporation were Miss Peggy Griffith, the assistant director of operations; and Mr. Kyle Ward and Mr. Henry Inniss, two marketing officers. Mr. John Hampden and Miss Rita Alkins were the Barbados Manufacturers' Association's representatives. [Excerpt] [Bridgetown BARBADOS ADVOCATE in English 3 Jun 85 p 1]

CSO: 3298/804

BELIZE

# REPORT ON UDP MESOPOTAMIA MEETING, ELECTIONS

Belize City THE BEACON in English 15 Jun 85 p 5

[Text] Wed., June 12: The mesopotamia Division of the United Democratic Party held its annual convention last night (Tuesday, June 11th) at the Divisional Headquarters on Amara Avenue. The convention was opened with a prayer by party stalwart Mrs. Nellie Arnold and proceeded with a brisk pace through the reports of outgoing Secretary, Miss Olive Prescott and Treasurer Mr. Denfield Berry.

The reports made glowing reference to many successful activities spearheaded by the committee in the preceding year. These included a Block Party, Children's Christmas Party, election campaign dinners and luncheons and the very successful 1984 election campaign itself. The scores of supporters and members who filled the hall to capacity were reminded that it was the Mesopotamia Committee that, during the election campaign, had organised very effective meetings between the UDP leadership and businessmen, professionals, labour unionists and church officials.

Guest speaker for the evening was Mr. Rodwell Williams Jr Attorney-at-Law. He spoke on the need for a pragmatic approach to be taken by the new UDP government to solve the myriad problems inherited from the bankrupt and chaotic PUP government. ( See fulltext of Mr. Williams' address in Political Viewpoint on Page 3 ).

Elections were conducted by Harry Pilgrim who also chaired the evening's proceedings. Elected to office were: Mrs. Eudora Pitts (President); Mr. Liston Andrews (Vice President); Mrs. Delsey Young (Secretary); Miss Olive Prescott (Asst. Secretary); Mr. Denfield Berry (Treasurer); Miss Therese Chavarria (Asst. Treasurer); Mr. Raul Villanueva (Chairman); Committee Members-- Hartman Hill, Miss Irene Belisle, Miss Geraldine Rene, Kathleen Lord, Miss Beatrice Flowers.

The meeting ended with a very rousing vote of thanks delivered by the Hon. Curl Thompson, Area Representative and Deputy Prime Minister and Minister of Home Affairs.

CSO: 3298/840

**BELIZE**

**BRIEFS**

**MISSION TO MEXICO**--The Minister of Commerce and Industry Mr. Edwardo Juan, accompanied by Mr. Pedro Perez, Secretary of the Management Committee of the Belize Cane Farmers Association, visited the Obregon Sugar Factory in the Province of Quintana Roo, Mexico last week, where he held discussions with the General Manager, Mr. Francisco Gardenas Sanchez, and other senior management staff members of the factory. Among the several topics discussed were--the possible purchase of cane from the Belize Cane Farmers Association, the production of plantation white sugar by the factory, and other matters of mutual interest to the Belize Cane Farmers Association and the Obregon Sugar Factory. [Text] [Belize City THE BEACON in English 15 Jun 85 p 3]

**U.S. PRESENCE**--The latest question on the Belizean Trivial Pursuit is: How many employees of the U.S. Government are stationed in Belize? Few get the correct answer. "One for every five hundred Belizeans." [Text] [From the unattributed column "Dick and Jerry"] [Belize City THE BELIZE TIMES in English 16 Jun 85 p 7]

CSO: 3298/840



BRAZIL

# SARNEY'S FIRST 100 DAYS MARKED BY CONFUSION, DOUBT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 85 p 5

[Text] President Jose Sarney has completed 100 days of government, still enveloped in an atmosphere of confusion and indecision, both in the political realm, where the congressional support has been hampered by the dispute between the two Democratic Alliance parties, and in the economic and financial sector, where the differences among the ministers are impeding the establishment of a homogeneous strategy for combating inflation. The agrarian reform bill was announced in a "hasty, clumsy" manner, in the view of a prominent minister, and evoked contrary reactions and confusion, making the start of the government's reformist cycle difficult.

At least the president of the republic went to work, although he himself has complained that the administrative machinery has not kept up with him, his orders cannot be carried out and functionalism has been discouraged. For this reason, Sarney decided on administrative reform and the installation of two computers in the Civilian Household so as to have access to accurate reports on all the government's actions and the progress of bills in Congress. Sarney remains in his office from 0900 until 2030 hours, on the average, spending less than 2 hours for lunch at the Jaburu Palace, where he still resides, despite repeated intentions of moving to Alvorada Palace. The audiences average over 10 per day, and Sarney has ordered strict austerity in public spending. The ministers, constrained by the campaign against patronage have for the most part given up their mansions on the lake, and have had their salaries virtually tripled. Previously, their net earnings were about 4 million cruzeiros per month.

At the first cabinet meeting, on 17 March, Sarney read a speech of Tancredo Neves, whose principal order was "not to spend," in addition to requiring that each minister provide a complete survey of the state in which every ministry was received, within a period of 90 days. Tancredo's illness represented a prolonged period of tension and suspense for the president then in office, which prevented the adoption of government initiatives and delayed the appointments of the members of the second administrative echelon, so that they would all be made with the president-elect's consent. The government remained virtually at a standstill during the 42 days of the tragedy which overwhelmed the country, culminating in the death of Tancredo Neves. During that period, Sarney had

crises of disheartenment and sometimes slept only 3 hours a night, several times admitting that he had never expected to experience such a tragedy.

After Tancredo's death, in the address at the burial and even before, at a writers' congress in Sao Paulo, Sarney reaffirmed his commitments, giving assurance that everything that he had promised during the campaign would be faithfully fulfilled. After actually taking over the government, he sponsored internal moralization campaigns, reducing the use of official cars and executive jets, and maintaining Tancredo's ban on any hiring for public service. He purchased a metal stand with his own money and put the Constitution in it; this has become a permanent object on his work table. The ministers who wanted to live in mansions could do so, but without causing expenses from decorating or purchases of materials. Tancredo's direct advisers were gradually replaced by others with Sarney's personal confidence; and, most recently, he has consolidated the structure backing the presidency, by the appointment of special advisers for all areas of administration.

President Sarney announced a recommendation to the finance minister that public funds not be diverted any longer for paying debts of fraudulent private firms, after the breakup of the Brasilinvest group; and for the first time in recent years, the Ministry of Justice made efforts for the penal classification of big businessmen who were involved, such as Mario Garnero. Shortly thereafter, however, there occurred the breakup of the Sulbrasileiro group; and, prompted by political pressure from the governors of the southern states, even contrary to the opinion of Minister Francisco Dornelles, a bill for the bank's nationalization was sent to Congress. Having been approved, with additions not accepted by the government, it was entirely vetoed later by Sarney, who claimed to be doing his duty. Nevertheless, there were protests, because the amount appropriated for the Rio Grande do Sul group was virtually the same as that diverted to provide for the nearly 700,000 people stricken by the floods in the Northeast.

The president has been gradually calling in some promises from the Democratic Alliance. He restored the political autonomy of the municipalities previously classified as coming under national security, and his first approved bill was that of his son, Deputy Jose Sarney Jr, eliminating the participation of multinational firms in the production and distribution of films; a controversial bill which ended up being condemned by the film-making industry. During the same period, as a result of the trickery of one of the subordinate officials in the Civilian Household, accustomed to the practice of the previous regime, President Sarney sent a secret order to the Congress, which was denounced by the PDS [Social Democratic Party] leader, Deputy Prisco Viana. The bill categorized the leading positions in the SNI [National Service for Intelligence] of Rio and Sao Paulo as reserved exclusively for generals. The government's explanation was immediate, and the relations with the press were reestablished on democratic terms. The president's direct aides (chiefs of the Civilian and Military Households and of the SNI) were all introduced to the reporters accredited to the Planalto Palace, and Gen Ivan de Souza Mendes asserted that "truth is the essence of information."

There was some disagreement about the appointment of the provisional governor of the Federal District, but later Sarney decided on Jose Aparecido, removing him from the Ministry of Culture. The cabinet selected by Tancredo was kept intact, but Aparecido and Aluisio Alves were the ones who had the greatest personal closeness to Sarney. The new minister of culture was appointed after several weeks, and the refusal of the actress, Fernanda Montenegro, to accept the post was confirmed. The president signed a bill allocating \$12 billion to the Northeast over the next 15 years, but the regional governors considered it a small amount. Sarney has always retained a tense appearance, taking medicine every day in order to sleep. The ministers, with their well-known internal differences, were getting used to the new president.

#### Austerity, Elections and Containment

At the beginning of May, Sarney sent a message to Congress reestablishing direct elections for the presidency of the republic and the mayors of capitals, which ended up being incorporated into the "amendment" passed by the Inter-party Commission which excised the authoritarian debris of the Constitution in effect, and it would be promulgated on 15 June. In the political area, he created the National Council for Defense of Women's Rights, fulfilling another promise of Tancredo, and the Commission for Reform of Higher Education; and he started to become impatient with the obstinacy of the administrative machinery. He began making informal speeches, appreciating the solemnities held at the Palace; initiating a rapprochement with artists and intellectuals, whom he received for luncheons at Jaburu Palace. He also converted the morning coffees into a working tool, using the occasion to receive prominent persons and reporters for informal talks. His trips to the states were limited to the need for service, returning to Brasilia the same day, and banning celebrations in the cities visited.

"Power is not an entertainment," declared the president at the second cabinet meeting, the first one held with doors open to the press. Despite the differences between Ministers Francisco Dornelles and Joao Sayad, the anti-inflationary policy has shown positive results, with the index kept at about 7 or 8 percent per month, as opposed to over 12 percent in the previous government. The policy for price control and increased cuts in public spending has been adopted, and there is also a discussion of a reduction in interest as an additional factor for success in the anti-inflationary policy. The debate is still under way, and during recent weeks Sarney has been accused of uncertainty and timidity in making decisions. Meanwhile, the president has been making it clear that he is satisfied with the cabinet, from a political standpoint, but stressing that if he deems it necessary, he will promote substitutions for administrative reasons.

The president established the system of weekly meetings with the leaders of the Democratic Alliance, in which the minister of justice does not always participate, having been left without the political coordination of the government, assumed by Sarney himself. The strikes predicted for the Sao Paulo ABC [Sando Andre, Sao Bernardo do Campo and Sao Caetano do Sul industrial sections] erupted in April, and the government refused to declare any of them illegal, with the president supporting the policy of Minister Almir Pazzianotto, who received criticism from Ministers Roberto Gusmao and Antonio Carlos Magalhaes.

The damage was \$250 million to exports, and the SNI chief himself expressed the view that the government had become too moderate toward the strikers' abuses, as in the case of Governor Montoro. This incident encouraged the dispute between the ministers considered conservative and those considered progressive. Sarney announced the doubling in the amount of the minimum wage on 1 May, reiterating that the measure was part of the government's priority for social problems. He also authorized the studies for the extension of the 13th wage to federal public servants.

The new strike law devised during the heat of the Sao Paulo labor movements was published and heavily criticized by their liberal sector, later receiving the condemnation of members of the government itself, owing to its publication without prior debate among the parties directly concerned. Even worse was the contrary reaction to what was to be the first reformist bill of the government of the New Republic, agrarian reform. The bill received total condemnation from rural business owners. But Sarney insisted that it will be implemented. Once again, there was condemnation within the government itself, when several ministers thought that the bill had been announced hastily.

Communist Party leaders began being received in audiences at Planalto Palace, even visiting the chief of SNI, all of them demonstrating support for the head of government. Sarney twice invited Deputy Ulysses Guimaraes to be coordinator of the political pact, later called national, but he refused. The president assumed the function, and started inviting representatives from various segments of society to debate jointly at the Torto Estate on national problems: economists, business owners, trade unionists, bankers and politicians. But the pact, which would favor the consolidation of democracy and not of the government specifically, has been received with skepticism; and the politicians considered it abstract and indefinite. In the political area, the president caused surprise by postponing the creation of the Constituent Commission, also planned for the beginning of the government, as Tancredo Neves had promised: it will not take place until the end of this week. The Democratic Alliance is starting to disintegrate with the proximity of municipal elections, but Sarney thinks that it will survive, because it was devised in national terms.

2909

CSO: 3342/205



RAZIL

# SARNEY PERCEPTIONS OF EXTREME RIGHTIST MOVEMENT DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 85 p 4

[Article by Carlos Chagas]

[Text] Concerned about all the criticism and charges against his government and against measures which have been taken recently, President Jose Sarney will meet with his closest advisors this weekend to examine a kind of strategy to explain and divide.

--First, to explain to the republic what measures are being developed to meet the goals of the Democratic Alliance and to honor the commitments which [the president] made in the name of Tancredo Neves. It is important to demonstrate that the reforms proposed and at issue are democratic and are not meant to destabilize the capitalist system, of which the president is a part, but to enable the country to face the even more serious problems expected in the coming years.

--Second, to divide--preventing even the appearance of unity--the forces which are naturally fearful of the reformist process, perhaps because the proposals have not been made sufficiently clear to them, and the forces which are traditionally....[line of type omitted from text].

Sarney recognizes the existence of a movement fostered by civilians, military reservists and some members of the former regime, who are avid to return to the past and to disrupt the conduct of free discussion and the search for the natural paths for Brazil to take. They must be isolated, even if their right to activity is recognized, at least as long as they do not engage in conspiracies.

It is a delicate balance and, hence, of considerable concern. Cleverly, the Right mixes together such issues as agrarian reform, the new strike law, the resumption of Brazil's relations with Cuba and the legalization of the Communist parties. With these spectres, the rightists are attempting to attract the centrist and conservative forces. They seek to frighten them, although what the government really wants is simply to promote discussion, even if there have been some failures, as in the case of agrarian reform and the strike law, since there should have been even broader debate before the announcement of these initiatives, with all the interested sectors--for and against--participating.



This is why care will also be taken in the days to come to conduct and expand the national campaign to explain official acts. This is not a defensive move, much less an apologia, but an action capable of leading to the pacification of spirits.

The government itself represents a mosaic of opinions and trends (this is still the official thinking), but they all share a common denominator--of democratic practice and of change. The president believes that if this is all properly interpreted and presented, he will succeed in preserving the unity of the great majority responsible for the overthrow of the Old Republic. What must be prevented is the infiltration of the extreme Right, a divisive infiltration, muddling positions and forcing situations. It is quite natural that rural sectors might have doubts about the success of agrarian reform, for example, or that they would not accept some provisions of the Land Statute. It is more important that these sectors add their contribution, even by means of harsh and resounding criticism, [so that] when all is said and done, the solution will be reached which best serves the nation's interest--but these sectors must not be manipulated by intransigent extremists, hostile to any change at all.

Because of these concerns, the temperature in the corridors of Planalto Palace has risen in the last 3 days. The actions of the extreme Right have aroused attention, if not fear. The justice minister was called upon to release the official note and this gesture was only the first of many such. It will be followed by a profusion of statements and clarifications to the effect that the indispensable reforms will be brought about only through democratic debate and by decision of the majority.

6362

CS0: 3342/204

BRAZIL

# BIOGRAPHICAL DATA ON SAO PAULO MAYORAL CANDIDATES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 85 p 42

[Text] From an ex-president of the republic who resigned his position to a former tool and die maker, there are already 30 candidates for the direct election of the mayor of Sao Paulo this year. Some have launched their candidacies, some were launched by other persons, some deny their candidacy but are already preparing their campaign, according to their advisers. Janio Quadros, enthusiastic and rejuvenated--his health has improved greatly--says, as always, he has already won. Deputy Jair Andreoni, 34, has been painting his name all over the city, arousing the criticism of those responsible for city cleaning and the indignant protests of citizens who are already swearing they will not vote for him. Two days after passage of the amendment restoring direct elections for the mayors of state capitals, there was an explosion of candidates, in offices and in the streets. The largest political party also has the largest number of hopefuls: there are 12 PMDB [Brazilian Democratic Movement Party] members who would like to reach Ibirapuera. The Brazilian Labor Party (PTB), has four pre-candidates; the Democratic Workers Party (PDT), the Workers Party (PT) and the Liberal Front Party (PFL) have one each. The Social Democratic Party (PDS), which has been, according to Francelino Pereira, "the largest party of the West," has the least: only two. The Liberal Front Party hasn't yet been registered permanently by the Superior Electoral Court [TSE], but in any event intends to have its own candidate for election. PFL President Herbert Levy has not yet launched his candidacy, but he may eventually do so if Jose Maria Marin does not receive the party's support and Reynaldo de Barros refuses to run. So there is no lack of candidates; if Sao Paulo is without a government, it will not be due to lack of candidates.

Adhemar de Barros Filho: Heir of his father's populist support, the legendary political boss Adhemar de Barros of the Progressive Social Party (PSP). He belonged to his father's party, to the MDB [Brazilian Democratic Movement], the ARENA [National Renewal Alliance] and the PDS. He now belongs to the PDT and Brizola. Candidate for Senate in 1982, defeated by Paulo Maluf. But thinks that

Maluf represents the "radical Right." Known as "Adhemarzinho," 55 years old. Would also like to be governor.

Alberto Goldman: Socialist, 48 years old, believes that "the solution of Brazil's problems is in elimination of the exploitation of man by man." Almost lost his political rights in the 1970's, charged with having connections with the Brazilian Communist Party [PCB], from which he receives support. Accused of marking his comrades' ballots to identify the "traitors." Is federal deputy for the PMDB.

Almino Affonso: Was born in Humaita, Amazonas. His father was owner of a rubber plantation. His grandfather was a delegate to the 1891 constituent assembly. Ex-president of the Sao Paulo Students Union. Ex-member of the Socialist Party. Participated in the "nickel against millions campaign." Former PTB deputy. Was labor minister under Joao Goulart. Was an exile. Secretary of Sao Paulo Metropolitan Affairs; 55 years old.

Almir Pazzianotto: Ex-lawyer of the Sao Paulo metalworkers union, 49 years old. Attended the War College. Personal friend of Luis Ignacio "Lula" da Silva. Elected state deputy by the PMDB. Was secretary of labor under Governor Montoro. Now minister of labor. Calls himself a "democratic socialist," thinks "there is no such thing as a liberal businessman" and that in strikes, "the picket line is still essential."

Aloisio Nunes Ferreira: Specialist in environmental affairs. Leader of the PMDB in the Sao Paulo Assembly, where he is a deputy. Elected in 1982, after a campaign in which he made a point of showing himself to be an "authentic" parliamentarian of his party. Became a candidate day before yesterday, but yesterday denied everything and asked not to be included again in a list of candidates.

Antonio Salim Curiati: Physician, 55, son of Lebanese immigrants. Ex-deputy for ARENA. Ex-secretary of promotion in the Paulo Egydio government. Friend and right-hand man of ex-governor Paulo Salim Maluf, who appointed him mayor of Sao Paulo. Under investigation by the Department of Water and Power (DAEE) for improper use of machinery on private property.

Brasil Vita: Is Sao Paulo's oldest city councilman. Elected for the first time in 1960, by the Social Labor Party. Since then has always been reelected--five times. Is 63 years old. Belonged to the ARENA and the PDS. Now belongs to the PTB. He once said that there should be only four parties, "because a man can be only four things: a liberal, a socialist, a conservative or a laborite."

Caio Pompeu de Toledo: Lawyer, 41 years old, ex-city councilman, ex-state deputy for ARENA, ex-secretary general of the PP [Popular Party] in Sao Paulo. Creator of walking tours of the city. Is secretary of sports and tourism for Sao Paulo. Writes romantic poems and is owner of a pizzeria. Defines himself as "a liberal," someone who, in his opinion, "is willing to discuss ideas with other persons."

Davi Lerer: Ex-city councilman for the Socialist Party. Ex-deputy for the MDB. Was deprived of his political rights in 1968 by Institutional Act No 5. Was an exile and was one of the first to return to the country, in January 1979. Physician, plastic surgeon and specialist in public health. Upon returning to politics, joined the PDT.

Eduardo Matarazzo Suplicy: Doctorate in Economics from University of Michigan; 44 years old. Former chief of the Planning and Economic Analysis Department of Getulio Vargas Foundation School. Former boxer. Commentator for FOLHA DE SAO PAULO newspaper. Is federal deputy for the Workers Party, although he belongs to one of the most traditional and wealthy families in Sao Paulo.

Fernando Henrique Cardoso: Sociologist, USP [Sao Paulo University] professor whose retirement was mandated by Institutional Act No 5 in 1969. Now 54 years old, he has taught in several universities abroad. Published his first book 10 years ago. Founder of CEBRAP [Brazilian Analysis and Planning Center]. Elected to the Senate by the PMDB, is leader of the government in Congress--a post created especially for him by President Tancredo Neves. He made two or three ministers [as published].

Freitas Nobre: Veteran journalist, lawyer, 64 years of age. Ex-city councilman, was deputy mayor under Prestes Maia, 1961-65; was a member of the Brazilian Socialist Party [PSB] and has been a member of the Chamber of Deputies for 13 years, now representing the PMDB. Passed over for a cabinet ministry in the Tancredo Neves government. He admits that his dream is really to be mayor of Sao Paulo, as a disciple of the legendary Prestes Maia.

Guilherme Afif Domingos: President of the Sao Paulo Commercial Association, is 41 years old. Candidate for lieutenant governor of the state in 1982, on the Reynaldo de Barros slate. Was secretary of agriculture under Governor Maluf. Ex-president of BADESP [Sao Paulo State Development Bank]. He supports the constituent assembly, "freedom and free enterprise." Reads Milton Friedman and Alvin Toffler, author of "The Third Wave."

Herbert Levy: Veteran liberal politician, university professor, author of 10 books, mostly about economics, and is an official of the GAZETA MERCANTIL group. Has belonged to the PDS, the PP and now is president of the PFL in Sao Paulo. Has been a critic of economic policy since 1967. Called for President Figueiredo's resignation in 1983. Is a member of Congress.

Horacio Ortiz: He campaigned--even hired a staff to "create" his image--to be appointed mayor by Governor Montoro. Succeeded in becoming transportation secretary, but quarreled with Almino Affonso and eventually resigned. "I was sacrificed," he said at that time. His career began in city council. Was elected state deputy in 1974. Has been a federal deputy since 1978 for the PMDB.

Jair Andreoni: Better known for smearing the city's walls and streets with tar than for his rare political initiatives. Elected state deputy for the PMDB with the help of his brother, Investigator Julio Andreoni, involved in corruption charges. Is defendant in a suit brought by the Ethics Committee of the party, which he wanted to leave in 1984. He is a lawyer, 34 years old.

Janio Quadros: Former city councilman, mayor of the City of Sao Paulo, governor of the state and president of the republic. Resigned the position. Decorated Che Guevara. Is 68 years old. Paints pictures of ballerinas. Writes short stories. Author of a dictionary. Defeated candidate for governor of Sao Paulo in 1962 and 1982. One of the oldest Brazilian politicians. Was in poor health, but has improved.

Jose Maria Marin: Ex-soccer player, 53; former city councilman, state deputy, lieutenant governor and governor of Sao Paulo (replaced the holder of that office, Paulo Salim Maluf). Has headed the Sao Paulo State Soccer Federation for several years, being reelected its president last year. Left the PDS, supported Tancredo and is secretary general of the Liberal Front Party in Sao Paulo.

Jose Roberto Faria Lima: One of the founders of the Popular Party in Sao Paulo. He later joined the PTB, arguing that "the PMDB and the PDS are two sides of the same counterfeit coin." Elected twice--in 1970 and 1974--to the Chamber of Deputies. Was not reelected in 1978. "I was cassated by the people," he said at the time. Losing candidate for a Senate seat in the latest elections, in 1982.

Jose Serra: Ex-president of the National Students Union (UNE), 42 years old. Was an exile for 13 years. Studied economics in France and in the United States. Secretary of Planning under Governor Montoro. Passed over as candidate for agriculture minister by Tancredo Neves. Married, two children. Informal, he was seen dancing rock at a party in Brasilia. Has published three books.

Luiza Erundina: Social worker, 50 years old. University professor of sociology. Union leader in the welfare sector. Born in Paraiba, has been in Sao Paulo for 15 years. Organizer of grassroots movements related to housing. Leader of the PT bloc in the Chamber. Represented Brazil in the Latin American Social Work Center. City councilwoman for the PT, with 27,000 votes.

Luis Ignacio "Lula" da Silva: Ex-president (cassated and then rehabilitated) of the Sao Bernardo do Campo Metalworkers Union. Came to Sao Paulo as a migrant from the Northeast. Was a tool and die maker; 39 years old. President of the Workers Party (PT), which received 1.2 million votes in 1982. Refused to participate in the Electoral College that elected Tancredo Neves as president.

Nefi Tales: Ex-mayor of Guarulhos. Charged with extortion against the Skol-Caracu Brewing Company in 1977. Denied everything. Paid the lawyers who defended him with money from the municipality treasury. State deputy for the PMDB. Ex-president of the Legislative Assembly. Tried to appoint to a technical post the police detective Julio Andreoni, implicated in corruption cases.

Raphael Baldacci: Born in Caçapava, Sao Paulo in 1928, graduated in dentistry from the USP. Was a state secretary twice, was elected federal deputy twice and was president of the Sao Paulo ARENA. Coordinated the campaign of Janio Quadros for governor in 1982, but has left the PTB to join the PFL, for which he would like to be a candidate.

Reynaldo de Barros: Nephew of ex-governor Adhemar de Barros, is 55 years old, married, father of three. Was president of the Urubupunga Electric Power Company (his first public job) and of Sabesp, before being appointed mayor of Sao Paulo. Engineering graduate of the USP Polytechnical School; was the PDS candidate for governor of Sao Paulo in 1982. But now he is in the PFL.

Roberto Cardoso Alves: Lawyer, rancher, 58, ex-president of the Christian Democratic Party (PDC) and former administrative chief of the Legislative Assembly, when Franco Montoro was its president. Cassated by the AI-5 [Institutional Act



No 5], was rehabilitated, elected city councilman and later federal deputy by the PMDB. Wanted to be agriculture minister and cried when Tancredo told him no.

Roge Ferreira: Founder of the National Students Union, 62 years old, was president of the Eleventh of August Academic Center. Fought against the Getulio Vargas dictatorship and was arrested. Deputy for the Brazilian Socialist Party in 1954. Defines his ideology by saying "I am a socialist, but not a Marxist." Running for governor of Sao Paulo in 1982 for the PDT, he came in last, but gained a lot of good will.

Samir Achoa: Ex-city councilman, 52, criminal lawyer. Entered politics in 1963. A populist, his campaigns spoke in favor of children and school lunches. Former alternate of Senator Orestes Quercia. Has following in the Arab colony. Wanted to leave the PMDB; did not like Governor Franco Montoro. One of the leading vote-getters among federal deputies in 1982.

Severo Gomes: One of the nation's leading landowners. Was cabinet minister in revolutionary governments. Admits he signed, as minister, several cassations of mandates. Had a falling out with the military and joined the PMDB, on which occasion he said he had "changed" and had "learned certain truths." Owner of the Parahyba Textile Company. Is a senator. Likes to read; is 61 years old.

Sidney Palacios: Colonel in the military police reserve. Accused of belonging to the Death Squad. Has personally hunted down criminals. Exposed corruption in the DETRAN [Traffic Department]. Thinks that homosexuality should be considered "a morally unacceptable anomaly." Dyes his hair a golden brown, according to Deputy Ruth Escobar, whom he accuses of being a lesbian. State deputy for the PTB.

8834

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BRAZIL

QUADROS' PTB CANDIDACY FOR SAO PAULO MAYOR DIVIDES PARTIES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 85 p 3

[Article by A.T.C.]

[Text] The growing popularity of the candidacy of former President Janio Quadros for mayor of Sao Paulo is already creating deep divisions in the other parties, which, from the leadership to the rank and file, are split down the middle, with one side favoring the PTB [Brazilian Labor Party] candidate and the other side opposing him.

The phenomenon has to do with the person of Janio Quadros. In fact, no such division exists, for example, with regard to Fernando Henrique Cardoso, except among his own comrades in the PMDB [Brazilian Democratic Movement Party]. Once again, Sao Paulo is demonstrating a political Manichaeism which leads people to support or oppose the PTB candidate--and this is certainly to his advantage. The same thing occurred 6 months earlier with former candidate Paulo Maluf, who also has this quality of dividing opinion. It happens that there were only two contestants in that race, whereas, in the present contest for the Sao Paulo mayoralty, we are seeing the emergence of several candidates. This circumstance forcibly elevates Janio Quadros, because he is "invading" the territories of the other parties and representing a spillway into which the discontentments in those parties can run off.

It might be argued that the Liberal Front Party [PFL] is also divided with regard to the former president. This is true, but it should be remembered that the liberal politicians who disagree with this candidacy are not thinking about forming an alliance with another party; they want the PFL to present its own slate, as a way of assessing the potential of the party. (This is the case, specifically, with former Governor Jose Maria Marin and his group.)

In the other parties, with the exception of the PT [Workers Party], there are open disagreements regarding the suitability of engaging in the PTB campaign. Particularly in the PDS [Social Democratic Party], the launching of the Quadros candidacy has been divisive and is seen as disastrous, because it represents virtually the death warrant for this party.

Fauzi Carlos, PDS leader in the Legislative Assembly, has been saying for months that his party should not launch a candidate but should join a coalition in support of the PTB candidate. Otherwise, it would risk another defeat which might result in the extinction of the party.

For rushing to take this position, Carlos has been criticized and censured. This week, however, reflecting a similar viewpoint, ~~former~~ Governor Paulo Maluf declared that the PDS should not compete in the municipal election but should ally with another party.

Well, it cannot be forgotten that Paulo Maluf is the big leader of the PDS, and when the leader backs away from taking part in an election of this importance, he is exposing his own weakness. From what we have been able to ascertain, the two PDS candidates for mayor of Sao Paulo--Armando Pinheiro and Antonio Salim Curiati--feel that Maluf's statement has done them in, because it destroyed the viability of the two candidacies.

From all indications, the former governor has shown that he was not sincere when he stated that he intended to run for the Palacio dos Bandeirantes [governorship]. If he really had this intention, he would not have thrown away an opportunity to take part in the municipal campaign, which is the preamble to the state election next year.

In the end, Paulo Maluf is apparently not in a position to seek anything but his reelection to the Chamber of Deputies. One detail: according to PTB politicians, candidate Janio Quadros is ruling out Maluf's possible support because there is no way to assess how much that support would add or detract in terms of winning votes.

His reservations about the former governor are limited to the latter's person; in other words, he would not rule out support from other PDS members, particularly because Fauze Carlos and his group are engaged in his campaign and practically represent a forward front in the Janist movement.

In the PMDB as well, it is no secret that prominent members are leaning strongly toward the PTB candidacy. There is no telling yet if there is an irreparable split, but the discontentment in various wings of the party, generally related to actions or omissions of Franco Montoro, are an indication that it will take a miracle to keep the party united for the elections.

The "anti-Montoro" faction, currently represented particularly by the federal deputies who feel that the governor has abandoned them, tends to support the Janio Quadros candidacy. Politically, this is a one-way street, because there is no opposite inclination in the PTB or in the other parties; in other words, Fernando Henrique Cardoso does not have the same appeal, nor is he attracting the same rush of politicians to his side.

In view of these divisions, the trend which appears most logical in Sao Paulo's political picture is one of an effective agreement between the PTB and the Liberal Front Party, which might eventually be joined by the PDT [Democratic Workers Party].

Former Governor Jose Maria Marin is opposing the coalition, arguing that it is preferable to take the measure of the liberal forces in the municipal election, but it is perfectly clear that he is using this tactic to negotiate the participation of his group in the Janio Quadros government. In other words, once the negotiations are concluded, he will not shy away from supporting Janio.

The issue of the vice mayor is more harmonious. When the politicians ask Janio Quadros which way he is looking in his choice of running mate, he generally answers that "this is a matter to be handled by the Liberal Front; they will choose the vice mayor whom they want."

6362

CSO: 3342/204

BRAZIL

GOVERNMENT TO CONDUCT POLLS WITHOUT SNI PARTICIPATION

Rio de Janeiro O GLOBO in Portuguese 9 Jun 85 p 3

[Text] Brasilia--To learn how the public views the Sarney government, Planalto Palace is going to conduct broad-ranging opinion surveys ~~every~~ 2 months, focusing on programs which have been announced or which are in progress. To avoid the high costs which these surveys would entail if conducted by specialized institutes like Gallup or IBOPE [Brazilian Public Opinion and Statistics Institute], the Secretariat of Press and Publishing [SID] is studying a formula for conducting these surveys by arrangement with journalism schools in all the states, using the work of students.

The government is more interested in hearing the views of society than in selling an image produced in public relations laboratories. In this regard, media policy is aimed at creating a two-way street, by which the public voices its opinions, which will be used as a continuing aid to the government in adjusting its course. The government will engage in press campaigns only when it sees a need to explain the purpose of its programs, never to present numbers, statistics and summaries of what has been accomplished.

Francisco Cesar Mesquite, secretary of press and publishing, of the Presidency of the Republic, is still involved in setting up the team with which he will carry out the task of shaping the image of the new government, but it has already been decided that this work will be consistent with the philosophy of austerity and sincerity, which rules out lavish spending on publicity, on one hand, and also calls for a commitment to the truth, by the government and the country.

"The government does not own the truth." This is one of the premises and, to obey it, the government is prepared to acknowledge possible failures and to correct its mistakes.

The first bimonthly survey has not yet been scheduled. Meanwhile, Fernando Cesar and his team are working on the computation of all the data gathered in surveys conducted in the last 4 years. This material will produce a synthesis of Brazilian public opinion on various topics and problems.

Another basic change in the government's communications policy has to do with the role of the SNI [National Intelligence Service]. Once responsible for



opinion surveys in the Figueiredo government and in previous administrations, the agency will now only study trends. Gen Ivan de Souza Mendes, minister-chief of the SNI, explains:

"When the president so determines, the SNI could study the reactions to a certain topic, to produce an analysis of a societal trend, but it will not be our function to conduct political surveys."

In addition to the planned opinion surveys, the federal government will have other tools available to assess its public image. An SID team is currently organizing a unit to follow trends in regional newspapers, magazines and news broadcasting in all the capitals. All the articles which contain criticisms, doubts or denunciations will be clipped and the mistakes pointed out in the press will be reported to the competent government agencies, to correct the errors. The data from this continuing study will also be computed, to provide a measure of opinions formed regarding the government.

"Our goal will not be to engage in demagogy or to proclaim good deeds and accomplishments. Campaigns will be undertaken when we feel that a program needs to be explained, to convince the public that the government is working for it and with it," Fernando Cesar stressed. "We are going to produce less propaganda and offer more clarification. For example, agrarian reform might be the subject of a campaign, if it continues to arouse controversy."

Moreover, the conduct of campaigns by various agencies of the federal government will be strictly controlled. Aware of the flood of money that was poured into these campaigns in the previous government, the SID is attempting to centralize the distribution of funds, analyzing priorities and assessing the real need for radio, press, television and other "media" campaigns by ministries, independent agencies and state companies.

Last week, a powerful state company authorized a campaign involving the expenditure of about 5 billion cruzeiros, without notifying Planalto Palace. On learning about this, Fernando Cesar took the matter up with President Jose Sarney, who interceded directly with the president of the company. The boundaries of the campaign were revised.

Another tool which Planalto is using to gauge public opinion regarding the government is the voluminous correspondence which is received by President Sarney--about 2,000 letters a day, almost all of which express support and confidence. When the number drops or the tone of the letters changes, it will be an indication of a change in public opinion, the advisors observe.

In Recife, 80 percent Approve Sarney

Recife--President Jose Sarney's administration received an approval rating of 80.4 percent in this capital. Of the 403 persons interviewed by the Harrop Institute, which is headquartered in Recife, 28.2 percent felt the federal administration was being handled "very well" and 52.3 percent considered it simply "good." Another 17.9 percent described it as "average."

In response to another question in the institute's monthly survey, 45.7 percent of those interviewed thought the Sarney administration would "very much improve" the northeast, while 45.4 percent said it would "make a little improvement." Only 1.7 percent thought the Sarney administration would make the situation in the northeast region "worse."

Finally, the Harrop Institute asked who was the most active minister in the government: 45.6 percent of the respondents had no opinion. Precisely 19.6 percent named Education Minister Marco Maciel, who is from Pernambuco, and 14.6 percent named Justice Minister Fernando Lyra, who is also Pernambucan, as the most active.

The survey was conducted between 28 May and 3 June.

6362

CSO: 3342/204

BRAZIL

241 FOCI OF SOCIAL TENSION CITED; CHURCH INVOLVEMENT CHARGED

Land Rights Disputed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 85 p 12

[Text] There are currently 241 foci of rural tension in the country, involving 2,414,339 hectares and 38,506 families, according to a study conducted by the Ministry of Agrarian Reform and Development, which was not restricted to the Araguaia-Tocantins region. Expropriation proposals have already been submitted for 31 of these foci and the others are being studied by INCRA [National Institute of Land Reform and Settlement].

The document notes that 144 foci of tension registered since 1979 have been dealt with, involving 1,519,893 hectares and benefiting 35,055 families.

The ministry survey indicates a much smaller number of conflicts than the last data released by CONTAG (National Confederation of Agricultural workers) and notes that only six states and territories are currently free of disputes over land rights: Espirito Santo, Sergipe, Alagoas, Amazonas, Amapa and Roraima. Cases that existed in Alagoas, Sergipe and Amazonas have already been settled.

Regarding pending cases, the state with the most disputes is Maranhao, with 54 areas involved, totaling 533,250 hectares and 17,491 families. Maranhao is followed by Ceara, with 31 cases, involving 68,785 hectares and 734 families; and Bahia, with 22 disputes registered, involving a total area of 97,147 hectares on which 2,450 families live. In terms of the extent of disputed land, Mato Grosso leads, with 616,226 hectares, 22 cases registered and 2,855 families involved.

Militia in Rondonia

Farmers in the interior of Rondonia are arming themselves and forming private militias because of the announcement of agrarian reform. This was admitted yesterday in Porto Velho by Lieutenant Colonel Garcia, commander of the Military Police in the state, a little more than 24 hours after Governor Angelo Angelina had said in the press conference that he was unaware of the existence of militias in Rondonia. At that time, the governor admitted that if there were problems with the implementation of agrarian reform in his state, he would call in the Military Police to enforce the law.

According to Commander Garcia, the farmers in Pimenta Bueno region have already begun to form militias, foreseeing invasions of their land in this season and also because of the announcement of the national plan for agrarian reform. "At the moment we are keeping an eye on developments, but we will intervene whenever it becomes necessary," the commander declared during a conversation with attorney Waldir Perazzo, coordinator of the Pro-Constituent Study Group.

#### Church Denounced

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 85 p 12

[Text] Orlando Moscozo, president of the Bahia Federation of Industries, who calls himself a latifundist, defended the agrarian reform plan yesterday in Salvador, but he said it would be difficult to implement and accused sectors of the Catholic Church of inciting invasions of land in the state to create areas of conflict.

In an address to the closing session of the Conference on Agrarian Reform and the Media, promoted by INCRA [National Institute of Land Reform and Settlement] and the Journalists' Association of Bahia, Moscozo declared that reform must not be viewed as a political maneuver, to overthrow the existing structures, and he warned: "Those who are invading land now are not seeking agrarian reform."

As proof of his accusation that Church sectors were involved in the invasions of land, he cited the occupation, 15 days ago, of the estate of Fernando Cincura, Bahian secretary of agriculture, in southwest Bahia. He reported that a truck carrying a priest and an attorney arrived at the estate and, soon afterward, incited by the two men, the farm workers occupied the property. The police were called in and drove the invaders off.

Moscozo did not specify which sectors of the Church are promoting the land invasions, but he noted that, "Inexplicably, these sectors are interested in torpedoing agrarian reform." He pointed to areas in Bahia, such as Serra do Ramalho, in the Sao Francisco region, where he thinks the program could be carried out immediately and he said the Federation of Industries was "available to assist with this."

However, Jose Arruti Rei, INCRA regional coordinator in Bahia, said that Serra do Ramalho had already been working for 2 years on another program. He added that extensive areas of land which had been homesteaded in the Sao Francisco region were not areas of priority for reform, by the simple fact that they were settled areas. Priority would be given to areas of social conflict, he said.

During the debate, Paulo Vilias, representing the Federation of Agriculture, denied that the homesteaders were arming to defend their land. "This is not true. It is the landowners who are arming, and not the homesteaders," he said.

In Brasilia yesterday, the Council of Representatives of the CNI [National Confederation of Industrial workers], which comprises 66 federations and more than 6 million members, approved a motion of support for the government's agrarian reform program, criticizing those who are arming to prevent farm workers from having access to rural property.

In the note, which will be delivered to President Sarney, the council states its conviction that the government "will know how to use the law and its police power, which has always been the case with regard to labor's struggle to win its demands," to counter the action of those who are arming to prevent the peasants from acquiring rural property. "Agrarian reform cannot be postponed any longer. It is the government's instrument to achieve social justice," the note states.

In conclusion, the CNI Council accuses the critics of the program of "a position of and accession to the social inertia defended by an ultraconservative faction which does not want to give up its privileges."

6362

CS0: 3342/204



BRAZIL

## ESG MEMBERS SAID TO ACCEPT PC; ESG COMMANDER'S DENIAL

### Possible Legalization Cited

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 85 p 8

[Text] The War College (ESG) is of the opinion that the Communist Parties could be legalized in Brazil, provided they pledge to operate within the principles of democracy (as the College defines it) and dissociated from the foreign ideologies which initially inspired them; in other words, without preaching the class struggle.

This proposition is being upheld by the civilian and military instructors at the College which, even under the New Republic, is attempting to continue influencing Brazil's destiny. Currently engaged in a study tour of the country's leading capitals, the ESG is seeking to give its views on the foundations of democracy greater publicity. In the DF [Federal District], at the National Accounting Office [TCU] auditorium, and under the command of Gen Eucylde de Oliveira Figueiredo, interns from the ADESG [Association of War College Graduates] and members of the ESG regular staff discussed the best type of democracy for the country, in midweek, at a meeting closed to the press.

Gen Eucylde Figueiredo spoke only at the opening of the activities (setting forth the ESG's permanent, national objectives) and at the closing when, as the final minutes of the period set for lecture and debate, which is never extended, elapsed, the member of the military and ESG commandant made this assertion: "Even for democracy, a general is necessary."

There were 2 hours of lecture and debate during which the regular staff instructors had an opportunity to disclose that it was not the ESG's assessments that were altered by the changes brought on by the winds of the New Republic, but rather "the view of democracy per se which, being quite dynamic, undergoes improvements as the debate on the issue intensifies."

One of these refinements lent to the notion of democracy formulated by the ESG relates to the legalization of the Communist Parties.

As was recalled by a member of the ADESG, former Senator Osires Teixeira (PSD-GO [Social Democratic Party-Goiás]), present at the debate at the TCU and

author of the question about the legalization of the Communist Parties, "Among the ESG's traditional concepts there is the one whereby democracy is entitled to defend itself and to grant liberty up to a limit that does not damage its precepts." And that was exactly the response given to the question by the school's regular staff instructors. Arguing that democracy has to set up mechanisms so as to protect itself from antidemocratic onslaughts, the ESG has amended its concept relating to the Communist Parties, and claims that the question of legalization is currently a part of the democratic game.

According to another attendee, a higher-ranking officer, the ESG instructor exemplified his proposition by giving a reminder that the West German constitution maintains a safeguard against the organization of any party which would assault the nation.

Guaranteeing that Brazil is currently living under a fully democratic regime (citing as further evidence of this the fact that the opposition is in power), the three civilian lecturers gave an explanation of the ESG's understanding of democracy, nevertheless refraining from a discussion of the foundations of democracy based on the military expression of national authority (consistently in accordance with the school's philosophy).

For instance, in the area of economic expression, the ESG's spokesmen upheld free enterprise and private property, warning of "the confusion existing in Brazil when it is a matter of defining what belongs to the state and what belongs to the individual."

In the analysis of the political expression of national authority, the ESG continues to uphold the multi-party system, although it notes that, historically, the Brazilian parties have not corresponded to the models proposed by the theory of political science.

In defending the position whereby the ones heretofore considered enemies of democracy might be legalized, the ESG philosophy enunciates the basic foundations of democracy (as it views the latter), which cannot be countered by the Communists: the legitimacy of the authorities; the organization of a state of law; the responsibility of governors and governed; the government of the majority, the multi-party system and self-defense.

Confining itself to an analysis of the social factors of democracy (and not the so-called psychosocial ones), in this context, the ESG advocated social welfare as one of the school's philosophical goals, considering the individual as the basis of all social action, without dwelling on "whereases" normally frequent in the analyses made by the ESG members, such as those regarding education and the health of the people.

#### Press Version Claimed Misleading

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 85 p 8

[Text] Yesterday, in Porto Alegre, the commandant of the War College, Gen Euclydes de Oliveira Figueiredo Jr, expressed annoyance at the news published by

ESTADO entitled "ESG accepts PC, but without the class struggle." Nevertheless, he refused to specify the points which had irritated him. "Why should I talk to ESTADO DE SAO PAULO, or have consideration, when ESTADO DE SAO PAULO has not had consideration for me?"

Already trying to leave the reporter, the ESG commandant continued: "As far as I'm concerned, O ESTADO DE SAO PAULO is dead." He also claimed that the headline published on Sunday was "stupid." The general made a point of explaining that he was not addressing the reporter, but rather the newspaper itself.

Prof Claudio Figueiredo, a member of the ESG's regular staff and coordinator of the public lecture program being carried out in several capitals, said that Gen Euclides Figueiredo was annoyed for several reasons: first, by the assertion that the War College accepts the Communist Parties, whereas, in fact, the ESG repudiates totalitarian doctrines, whether they be of the right or the left.

Second, by the report that the lecture given in the National Accounting Office auditorium in Brasilia was closed to the press, whereas it was public. Claudio Figueiredo added that the general was also angered by the thought that the report might harm the program, which he considers very important for publicizing the College's views. The coordinator explained that Gen Euclides Figueiredo would not give any interviews, as he has been doing since the first lecture in Brasilia.

This afternoon, the portion of the current study tour made by a group of 100 members of the ESG, including interns and members of its regular staff, associated with Rio Grande do Sul, will end. The group arrived in the state on Friday and, among other commitments, attended the lectures presented by the commanders of the Third Army, the Fifth Regional Air Command and the Fifth Naval District, in addition to another held yesterday afternoon by Governor Jair Soares.

The material to which Gen Euclides Figueiredo refers was compiled on the basis of interviews and conversations with three instructors from the War College regular staff, one of them in the National Accounting Office auditorium. The individuals who appeared at this lecture received numbered invitations.

2909

CSO: 3342/205

BRAZIL

#### EMFA HEAD CONFIDENT IN STABILITY OF NEW REPUBLIC

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 85 p 8

[Text] Yesterday, O ESTADO was told by the minister-chief of staff of the Armed Forces (EMFA), Naval Fleet Adm Jose Maria do Amaral Oliveira, that, "The New Republic is by now stable, and I have no fear of its stability. On the contrary, I think that it is going to become even more consolidated." In his view, "In the New Republic the National Congress is assuming more decisively the role of a genuine interpreter of the national aspirations, in accordance with the executive branch."

In the first military analysis of the New Republic, Admiral Amaral admitted that he was optimistic about its progressive strengthening and in the country's politico-institutional stabilization, based on guidelines adopted by President-elect Tancredo Neves and followed by President Jose Sarney.

In his capacity as minister-chief of the EMFA, and hence speaking for the military institutions, Admiral Amaral dismissed any negative expectations among the military regarding the future of the New Republic. He showed expansiveness in discussing the prospects for consolidation of the new regime which came into existence with the election of Tancredo Neves and the swearing-in of Jose Sarney. The minister emphasized: "The New Republic is stable, and there is a broad participation by the Brazilian society in devising solutions for Brazil's problems."

#### New Constitution

As for the powers of the Armed Forces, the minister of the EMFA said: "They should be retained in the Constitution to be prepared by the constituent body that will be elected in November of next year; because they are already authorized historically."

According to the minister, these powers "do not involve the military institutions with partisan politics, unlike what is sometimes interpreted." The admiral claims that the Armed Forces are not interested in becoming involved in political issues of a partisan nature either.

Based on Admiral Amaral's assessment, the powers of the Armed Forces stipulated in the present Constitution do not involve them "in certain aspects of public

security, and those relating to community security which therefore involve the state police forces and the Ministry of Justice."

The EMFA minister-chief noted: "The powers of the Armed Forces stipulated in the Constitution are closely related to the pursuit and maintenance of the permanent national objectives, for example, the national sovereignty and the preservation of the integrity of the nation's assets."

In commenting on the national objectives, the admiral gave a reminder of the concern expressed by Tancredo Neves in his speeches and also in the document materializing the Democratic Alliance, regarding social peace, the realization of development and the full participation of the Brazilian society in devising solutions for the country's problems.

The minister admitted that the constituent body might change some of the articles of the Constitution associated with the Armed Forces, but upheld the preservation of those considered essential which, he claimed, are identified with the national objectives themselves.

The powers of the Armed Forces are defined by the Constitution, primarily in its Articles 90 and 91, which establish principles that the military ministers want retained. Article 90 states: "The Armed Forces, comprised of the Navy, Army and Air Force, are regular, permanent, national institutions, organized on the basis of the chain of command and discipline, under the supreme authority of the president of the republic and within the limits of the law." Article 91 declares: "The Armed Forces, essential for the execution of the national security policy, are assigned to the defense of the nation and to guarantee the established authorities, the law and order." In the fourth paragraph of Article 93, the Constitution states: "Any member of the military on active duty appointed to any permanent public position dissociated from his career will be immediately transferred to the reserves, with the rights and obligations stipulated by law."

The chapter of the Constitution which will inevitably be revised by the constituent body is the one relating to national security, in Section V and not necessarily Section VI, concerning the Armed Forces. The one on national security has already been outdated by the advent of the New Republic, and brings the issue to a scope which would not be politically acceptable now, because it is not in keeping with the country's real situation.

2909

CSO: 3342/205



BRAZIL

BRIEFS

ANTARCTIC RESEARCH PROGRAM JEOPARDIZED--Brasilia--Members of the Interministerial Commission for Ocean Resources [CIRM] have stated that the research program being carried out by the oceanographic ship "Professor W. Besnard" of Sao Paulo University, and the scientific operation at the Brazilian Antarctic base, face a serious threat during the Antarctic winter, if the resources for the program are not released immediately. This delegation already sent an appeal a month ago to the Planning Secretariat, asking for support for the project, but no answer has been obtained so far. The CIRM warns that the mere and simple suspension of activities in the Antarctic could be one of the four options being considered as a resolution to the problem. This, according to the CIRM, could have a negative impact on public opinion. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jun 85 p 11 PY]

ANTICOMMUNIST FORUM IN SAO PAULO--Sao Paulo, 2 Jul (AFP)--A Pan-American convention against the expansion of communism in the Western Hemisphere and in Nicaragua opened today in Sao Paulo with the participation of 500 delegates from all the Americas. South Korean Colonel Bo Hi Pak, the chief adviser to the Moon sect, has stated that he will preside over discussions about the Nicaraguan situation in Central America, and a critical review of Marxist ideology. Pedro Joaquin Chamorro, the publisher of the Nicaraguan newspaper LA PRENSA, will hold a press conference on the situation prevailing in his country. CAUSA INTERNACIONAL, the sponsoring organization, has stated that the goal of the meeting is to present a counter-proposal to Marxism. CAUSA INTERNACIONAL, which, according to its spokesmen, is successfully spreading throughout the main capital cities, has already sponsored two world conferences for military men, one in Paris and the other in South Korea. [Text] [Paris AFP in Spanish 1759 GMT 2 Jul 85 PY]

CSO: 3342/214

CHILE

# REACTIONS TO DEFENSE MINISTER'S COMMENTS VARY

Santiago EL MERCURIO in Spanish 24 Jun 85 p C-3

[Text] Various public officials yesterday expressed their agreement and disagreement with the statements made to EL MERCURIO by the minister of national defense, Vice-Admiral Patricio Carvajal Prado, regarding various aspects of domestic politics.

Javier Leturia

Javier Leturia stated that "Adm Carvajal has clearly expressed his position on the magnitude of the 1973 crisis, the current problems, and the conditions for a successful transition."

He added that "the failure of the previous liberalization effort and the lesson learned from it demand a new approach today for renewing the transition process. Only a realistic and responsible attitude on the part of those involved in politics will ensure its success. There should be a minimum agreement among all democratic sectors--whether government or opposition--to prevent any deviation toward regression or disintegration, positions advocated by those who want to divert the country from its democratic objective."

He added that "political leaders must be intelligent enough to understand, and open-minded enough to accept, that above and beyond their partisan interests, this is the only way to serve the interests of the entire nation and to achieve the stable and lasting democracy we all want."

Leturia concluded by stating that "the groups that have identified with the model of a free society, as established in the Constitution of 1980, must overcome their differences and join hands, not only to ensure the success of the process that will lead to the full implementation of that model, but also to project themselves into the future as a major current that channels the ideals that are so deeply rooted in this country."

Rene Abeliuk

Attorney Rene Abeliuk stated that the opinions expressed by Adm Carvajal reveal "a position we are familiar with." He added that what is involved are formulas "that they are trying to impose on the country, not the ones the country wants."

He expressed his belief that "there will be no democratic solution until a general agreement can be reached on the foundations of democracy, because institutional frameworks that are imposed on the people, as history has shown, last exactly as long as the government that imposes them."

He described as futile all efforts that may be made without prior negotiation between the military and the civilian sector, adding that any steps taken without this precondition "will not take a peaceful, speedy and tranquil path to democracy."

#### Hugo Zepeda

Former Senator Hugo Zepeda, also an attorney, said that the secretary's statements "have some positive aspects and others that undeniably require some rectification, because they really do not correspond to the facts."

In criticism of the minister's statements, Zepeda said that the military government did not start out "with deadlines, but rather with goals to be accomplished."

He agreed that the insurrection did enjoy great popular support in its efforts to put an end to the chaos and anarchy that prevailed in 1973, but he added that this support was lost when the public saw the military behave in a way that ignored all differences, attacking indiscriminately all political forces, including those that had made its own actions possible.

He recalled that the first indications of this new situation emerged when the military government labeled all politics "political wheeling and dealing," and all previous legislation "weak," excoriating those who had participated in this form of government, without considering the obligations the Constitution of 1925, which was then in effect, imposed on legislators.

He said that the Democratic Alliance and the Republican Party seek to bring together all those who favor democracy, and thus he indicated that "the idea that this unity is what the country needs is nothing new to us."

#### Genaro Arriagada

Political scientist Genaro Arriagada indicated that "the minister is both right and wrong. He is wrong about military spending, in which the difference I set forth, as those who read my statements in the press are well aware, is not insignificant, but rather 80 to 90 percent more military spending than he indicated."

He added that "in another aspect, one which I feel is very important, he is right, however. History shows that the political power of the military rises and gains strength whenever civilian society divides up into irreconcilable factions. When civilians are incapable of resolving their differences peacefully, they practically invite the military to take power and remain there. Seen from another standpoint, the strongest position from which to request (or demand, or negotiate; the choice of words does not matter here) that the military relinquish power, would be that of a major civilian accord.

It should be a serious, substantive and honorable agreement among the people who have not been able, neither in the past nor in the present, to rally around a new national plan that would give Chileans a great collective hope and an assurance that they would be able to live together harmoniously through democratic institutions."

Juan Hamilton

Former Senator Juan Hamilton, also an attorney, called the statements erroneous in terms of politics, but on target in terms of military affairs and national defense.

"With regard to politics," he said, "his interpretation of the 1973 military uprising does not coincide with the official version put out by the military at the time. Edict No. 5 and Decree Law No. 1, both dated 11 September 1973, set forth the goal of restoring the 'destroyed institutions.' They add that it should be done 'as soon as circumstances permit.'"

He indicated that Adm Carvajal's assertion that the government needs to rule under exceptional conditions "is an acknowledgement of the regime's failure to achieve that essential objective."

He stressed that the Constitution of 1980 "does not envisage the establishment of truly democratic institutions," adding that "the admiral's vision apparently does not encompass this possibility either; the transfer of power to civilian authorities is posited on the latter's organization in accordance with the current government's views."

Finally, he expressed his agreement with the minister's statements regarding the role of the armed forces in democracy, and "the non-aggressive terms in which he conceives the foundations of national defense."

8926

CSO: 3348/758

CHILE

## XII REGION INTENDANT OUTLINES 5-YEAR DEVELOPMENT PLAN

Santiago EL MERCURIO in Spanish 23 Jun 85 Supplement pp 1, 3

[Passages enclosed in slantlines printed in boldface]

[Text] "The development of the region should be autarkic, based on its natural resources (petroleum, coal, fish and livestock), on its strategic geographic position, and on the diligent work of its inhabitants." This is the principal philosophy of the top official of Region XII, Magallanes and the Chilean Antarctic, Maj Gen Luis Danus Covian. Since he took office as intendant a few months ago, Maj Gen Danus has faced the task of regional development from a technical and pragmatic standpoint.

It is no coincidence, therefore, that a person well-versed in these subjects should be named intendant of an economically and geographically complex region. Maj Gen Luis Danus, who has served as minister of economy, vice-president of the Production Development Corporation (CORFO) and director of the National Planning Office (ODEPLAN), among other posts, now has the task of promoting the development of Region XII at a faster pace than in the rest of the country.

The goal of stepping up regional activity over the next 5 years is based on the implementation of a variety of production plans, which involve a total investment of approximately \$1.1 billion

In his interview with EL MERCURIO, Intendant Luis Danus outlined some of the main projects, including the following:

--The beginning of work on the /Pecket coal deposit,/ with initial production of 800,000 tons a year and ultimately 1.5 million to 2 million tons per year.

--The completion of /construction of the Asmar shipyard,/ designed to utilize a drydock capable of servicing ships of up to 4,000 tons displacement.

--The completion of /construction of the Esmeralda and Beagle Channel fishing industries,/ which will expand the shipment and processing of marine products.

--In addition, the major projects for /utilization of natural gas,/ such as the /construction of methanol and ureic ammonium plants/.



Aside from the volumes of production these new activities will engender, their implementation will entail /a major impact on employment,/ with a significant multiplier effect represented in the use of means of transportation, commerce and services in general.

### Other Policies

Intendant Danus believes it is necessary to seek all means possible to expedite communication both within the region and with the rest of the country, through various methods of transportation and communication.

Along the same lines, the regional official stated that top priority should be given to /self-sufficiency in food/ and in other goods that can be produced economically in the area.

It is also imperative that /settlement of the region be promoted/ through the development of productive activities that require the permanent presence of workers and that can be carried out in those areas where the region has effective comparative advantages.

### Integration

Of particular concern of the Intendancy of Region XII is /the development of integration and commercial ties with Argentina./

In furtherance of this goal, Maj Gen Danus officially invited the governor of Tierra del Fuego, Argentina, Adolfo Sciurano, to meet with him last month in Punta Arenas. The meeting culminated in a joint communique that sums up the urgent need to make every effort to strengthen ties between the two southern regions.

The document, which contains 14 points, expresses the countries' interest in promoting integrated tourism networks; their satisfaction with the establishment of transportation routes between Ushuaia and Puerto Williams by sea, and between Rio Grande and Punta Arenas by air; their desire to promote meetings of the two countries' Chambers of Commerce to enhance interregional trade; and their recommendation that land, air and sea connections be strengthened and that efforts be made to streamline border traffic. Another point indicates "the most fervent desire to promote more cultural, educational, scientific and technological exchanges between the two regions."

The declaration was sent to the respective foreign ministries.

### Progress in Regionalization?

When asked about this matter, Intendant Luis Danus indicated that "much still remains to be done in administrative reform. It is necessary," he said, "to determine what will be the relationship--in terms of attributes and powers--between a central, sectorial, national administration that is not yet equipped for decentralization, and a territorial or regional administration that, within a decision-making system, /is supposed to be even stronger./"

Danus added that the recently created Undersecretariat of Regional and Administrative Development will undoubtedly place the necessary emphasis on continued regionalization.

He indicated that when the president of the republic visited the region, two concerns were expressed to him in this regard: /the declining proportion of regional budget allocations/ to the region in comparison with sectorial allocations, and the /incomplete representation of regional ministerial secretaries./

"The president," concluded Danus, "indicated that he intends to increase the percentage of the regional budget, and gave instructions with reference to Region XII in the respective ministerial secretariats."

8926

CSO: 3348/758

CHILE

ORGANIZATIONS SUPPORT STATEMENT ON EASTER ISLAND

PY040355 Santiago Radio Cooperativa in Spanish 2300 GMT 3 Jul 85

[Text] More than 1,000 organizations have adhered to the call for peace in Chile and in defense of Easter Island, in which these organizations ask the government not to sign any agreement that may allow other countries to establish military installations in Chile.

This is included in a public statement issued by the Committee for the Defense of Easter Island, which is made up, among others, of Radomiro Tomic, Guillermo Pickering, Joaquin Luco, and Oscar Pinochet de la Barra. In this statement, the organization states that during the past 3 weeks, 1,300 Chilean organizations have signed the call for peace in Chile and in defense of Easter Island, the content of which can be summarized in two points presented by the Chilean people to the military government.

The first point refers to the commitment not to sign any agreement that would allow other countries to establish military installations on Chilean territory, which would be under their own control, as in the case of the space shuttle, which could turn our country into a direct target in case of a nuclear war.

The second point calls for using only funds from Chile or from international organizations to finance the extension and modernization of the Mataverí airport to accommodate wide-body aircraft, if this is in the interest of Chile and of Easter Island. He said that this would require a small amount of money, only the equivalent of 2 days exports of Chilean copper, or 10 days of the operating budget for the Public Works Ministry.

The committee adds: Although no official report has been issued, we take as a positive sign the president's reluctance to make a decision regarding the NASA request. However, we insist, the committee adds, that it is the government's duty to consult the people and to allow and encourage a serene and patriotic debate, which is the right of all Chileans.

It concludes by saying that the United States always consults its people, represented by congress, or through the news media, which is open to a free debate. It adds that this committee ends its official activities and appreciates the response to the call. It concludes by asking all Chileans to use all their resources to prevent our country from becoming a direct victim of a possible nuclear holocaust.

CHILE

STUDENTS, POLICE CLASH IN SANTIAGO

PY040036 Paris AFP in Spanish 2346 GMT 3 Jul 85

[Text] Santiago, 3 Jul (AFP)--Violent incidents between students and the police broke out today in Santiago and the neighboring port of Valparaiso, where at least 15 students were arrested during a day of protest against repression and military intervention in the universities, according to a report released by the organizers of the protest.

In Valparaiso, 140 km west of Santiago, the disturbances were centered at the Catholic University, where hundreds of demonstrators tried to hold a march that was broken up by the Carabineros militarized police with rubber bullets, water cannons, and tear gas.

Witnesses reported that three Carabineros and several students were injured during the confrontation. Other disturbances broke out at the same time at Valparaiso University, the Pedagogic Academy and Santa Maria University.

The main disturbances in Santiago took place at the Law College of the University of Chile, where students began a strike which will last until 5 July, after armed commandos kidnapped and beat up students Marcela Pradenas and Cristian Quinones.

Both young people are in their first year at the Law College. They were kidnapped twice during the past 3 weeks by unidentified individuals.

Angel Domper, the president of the college student center, told AFP that students are convinced that the kidnappers have some type of link with government organizations.

Yerko Ljubetic, the leader of the Federation of Student Federations of Chile (FECH), stated that these attacks and the disappearance of Tatiana Farina, a sociology student who has been missing since 14 May, are eloquent examples of the dramatic situation in Chile.

Ljubetic and the FECH's top leaders visited the courts to ask the judicial branch to intervene in solving these cases.

Other demonstrations were observed today at the colleges of social sciences and medicine of the University of Chile, at the main campus of the Catholic University and at the superior school of Pedagogic Sciences, where Carabineros broke up groups of students that were blockading the streets.

In the midst of this climate of agitation in the universities, which have been intervened by the military government for 12 years, President Augusto Pinochet urged the students to denounce the Marxist professors, in remarks that he made on 2 July.

CSO: 3348/777



CHILE

**BRIEFS**

**AMBASSADOR PRESENTS CREDENTIALS**--During a ceremony held at the Presidential Palace in Reykjavik, Chilean Ambassador Mariano Fontecilla presented his credentials to the president of Iceland, thus officially assuming his duties as concurrent Chilean ambassador to Iceland. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 25 May 85 p 6 PY]

**AMBASSADORS APPOINTED**--The Chilean Foreign Ministry yesterday reported that the Salvadoran Government has approved the appointment of Brigadier General Manuel Cortes Jarpa, retired, as the Chilean ambassador to that country and that the Government of Zaire has approved the appointment of Brigadier General Raul Marcia Vargas del Campo Silva as the Chilean ambassador to Zaire. [Summary] [Santiago EL MERCURIO in Spanish 24 May 85 p C2 PY]

CSO: 3348/787

CUBA

## AFF JOURNALISTS ON FOREIGN STUDENTS IN COUNTRY

Havana GRANMA WEEKLY REVIEW in English 9 Jun 85 p 4

[Article by Andre Birukoff, journalist expelled from Cuba on 29 June 1985]

[Text]

● HAVANA (AFP). — Close to 12 000 young people from 11 developing countries are studying in Cuba. Presented as a symbol of Cuban internationalism, this original experience is unquestionably earning much prestige for Fidel Castro's country in a good part of the Third World.

Cuban aid in the field of education is completely free. It is granted to Nicaragua, Democratic Yemen, and nine African countries: Ethiopia, Mozambique, Angola, Namibia, Ghana, the Congo, Saharawi Republic, Guinea-Bissau and São Tomé and Príncipe.

The best students in each of them, ranging in age from 12 to 20, have come to study on the Isle of Youth (formerly the Isle of Pines), 90 kilometers south of Havana. Depending on where they come from, they are assigned one of 24 schools.

On returning to their respective lands they will become executives and leaders in society. But until then, the task is, to put it symbolically, to cut sugarcane. In areas near their schools — all patterned on the same architectural model built in the countryside — young Angolans, Nicaraguans, etc., work the land. For that's the rule on the Isle of Youth: combining work in the classroom with work in the fields.

The study program is similar to that in regular Cuban schools. Foreign students wishing to do so can enroll in military training courses identical to the compulsory courses for Cuban students.

"It involves theoretical training," explains the Cuban instructor at the school for Mozambicans, who belongs to the army reserve. "We spend one hour a week and at times do shooting practice," he said.

Theory is taught in a classroom where the walls are covered with posters of common weapons like rifles, machine guns, bazookas, mortars, grenades, with Russian specifications.

Not only the Mozambicans but also the Angolans and Ethiopians take this type of training. The Nicaraguans, however, have not applied for it. "It would be giving the U.S. imperialists one more argument to use against us," said the young man in charge of the Sandinista Youth at the school. "Besides, we don't really need it," he added. "Some of us are former Sandinista fighters."

Whether or not they handle weapons, all the students on the Isle of Youth have something in common: political commitment.

The Mozambicans have hung up high pictures of Karl Marx and Lenin, the Nicaraguans have made a stone clock in the assembly patio of their school that shows the exact hour of Sandino's assassination. Generally speaking, whether they're from Angola, the Congo or Guinea, all of them must necessarily belong to a revolutionary political organization.

In short, when it comes to ideas, nothing distinguishes these foreign students from their Cuban comrades. But that's where the comparisons stop, say their teachers, who are very careful not to "Cubanize" their guests.

The goal, the teachers explain, is not to train young people cut off from their countries. On the contrary, the idea is to train them so that they will readapt as smoothly as possible. "Each one's customs and traditions are respected," said the principal of one of the schools, adding that "all cultural subjects, history, geography, civilization are taught by teachers from the same countries the students come from."

No one on the Isle of Youth misses a chance to express their gratitude for the Cuban government. To be sure, each school costs the Cuban government 1.2 million pesos (roughly on a par with the U.S. dollar). In addition, it provides lodging, clothes, food, medical care, etc., and even

some pocket money to the students absolutely free of charge.

These thousands of Third World young people are getting ready to give a concrete meaning to this "internationalism" that Cuba is so proud of, and will unquestionably praise it highly when they are back in their countries. This is to all appearances the only benefit that Cuba will derive from its Isle of Youth experience. The fact that it's impossible to measure in numbers doesn't mean it isn't substantial.

CSO: 3200/48

CUBA

BRIEFS

**NEW FLIGHT TO BRUSSELS**--Cuban Airlines announced the start of a regular weekly flight to Brussels, Belgium, as of July 10. The flight will leave Havana on Wednesday with connections to other European cities. The return flight will leave Brussels on Thursday, with connections to other Latin American countries. The new Cubana flight goes to meet a growing demand in European tourism to Cuba. At present, Havana has direct flights to Madrid, Paris, Berlin (GDR), Prague, Cologne, Moscow, Milan, Rome and Dusseldorf via Cubana and other airlines. In a recent interview, Havana's Iberia representative, Mr. Antonio E. Ramon Gomez, announced that the third weekly Madrid-Havana flight that started on November 4, 1984, using DC-10s, had carried 10 329 passengers up to last April. He said that, as of April 30, Iberia had had 27 422 passengers on its three Madrid-Havana-Madrid weekly flights. It is expected that over 50 000 passengers will have traveled this route by October 31, the end of the 1984-85 flight year. During 1983-84, the figure in the same period came to 42 213 passengers. [Text] [Havana GRANMA WEEKLY REVIEW in English 2 Jun 85 p 4]

CSO: 3200/48

DOMINICA

ADDITION TO DOUGLAS' REMARKS ON POLICY POSITIONS

Kingston THE DAILY GLEANER in English 7 Jun 85 p 28

[Excerpt] [The following portion of the 6 June 1985 CANA dispatch from Bridgetown, as carried by THE DAILY GLEANER, was omitted from the CANA in English version transmitted at 1743 GMT 6 Jun 85 and published in the FBIS Latin America DAILY REPORT, Vol VI, No 110, 7 June 1985, p S 2.]

BRIDGETOWN, Barbados,  
June 6, Cana:

Douglas said he would be prepared to pardon former Prime Minister Patrick John, who is to face a retrial later this year on charges of conspiring to overthrow the Charles government. John, a DLP candidate, would most likely be given a cabinet position, he said.

Asked about the presence of activists of the leftist Dominica Liberation Movement (DLM) among the DLP's line-up of candidates, Douglas said they had "moved to the right" of the ideological spectrum and were now members of the DLP.

The presence of these candidates had fuelled the charges of a communist connection with the DLP.

Asked why the DLP had decided against fielding a candidate in the constituency which his radical brother, Rosie, a declared marxist, is contesting as an independent, Douglas said the decision that his brother run as an independent was a party decision.

Rosie was still a DLP member and could participate in a DLP government, Douglas said.

Douglas said the decision that Rosie should run as an independent was taken because the executive felt he would have been the prime target of attack by the ruling Dominica Freedom Party.



DOMINICA

BRIEFS

NEW PARTY PUBLICATION--ROSEAU, Dominica, Sunday, (CANA)--The opposition Labour Party of Dominica (LPD) yesterday launched its own newspaper, as campaigning for forthcoming general elections gained momentum. The LPD said the Labourite was to counter the "biased reporting and one-sided propaganda" of the lone weekly New Chronicle newspaper which yesterday announced it was going bi-weekly. The party, which will provide the main challenge to the ruling Dominica Freedom Party (DFP) in the poll, has accused the New Chronicle of supporting the DFP. The Labourite said the LPD had not paid sufficient attention to the political education of its members and supporters in the past and promised to play this role. Yesterday's announcement by the New Chronicle of its plans to bring out two issues a week has heightened speculation that the general election, due by October, will most likely take place in July. Meanwhile, the youth arms of both parties held motorcades in the capital yesterday at the start of a hectic weekend of political activity. The DFP held a rally today in the town of Portsmouth, 45 miles north of here, at which it presented its line-up of candidates. The LPD will be holding a "farmers rally" at Calibishie on the island's north eastern coast. Political sources said Prime Minister Eugenia Charles may announce the date for the poll today. [Text] [Bridgetown BARBADOS ADVOCATE in English 3 Jun 85 p 3]

CSO: 3298/805

DOMINICAN REPUBLIC

CENTRAL BANK REPORTS 1985 EXPORT EARNINGS

FL211540 Santo Domingo LISTIN DIARIO in Spanish 13 Jun 85 p 1

[Article by Jose Romero]

[Text] In the first 4 months of 1985, the Central Bank received \$314 million from exports, which was \$50 million more than in the same period of the preceding year.

The balance of international payments (bank's record of receipts and expenditures) for exports showed receipts of \$201.7 million from January to April 1985 plus other receipts totaling \$133.4 million, less deductions of nearly \$1 million.

The principal dollar earnings were from sugar: \$62.7 million, compared with \$74.9 million during the same period last year. Income from sugar products was \$1.6 million, compared with \$2 million last year.

As of 1 May, the Central Bank had received \$31.8 million from coffee exports, compared with \$35.2 million during the same period last year. Earnings from cocoa were \$24.8 million, compared with \$24.5 million last year. Earnings from tobacco were \$33.5 million, compared with \$47.6 million last year.

From industrial free zones, the Central Bank received about \$13 million from January to April (last year it earned \$20.3 million), and from other undescribed exports it earned \$23.8 million, compared with \$12.1 million last year.

During the period January-April 1985, the net earnings of the balance of international payments amounted to \$367.3 million including \$53.3 million in capital. Compared with the same period last year, net total earnings decreased, dropping to \$367.3 million from \$375.1 million.

With regard to expenditures, Central Bank payments of drafts and transfers dropped to \$9.8 million from \$72.3 million. Central Bank payments increased to \$277.3 million from \$219.9 million.

Total net expenditures were \$345.6 million (\$432.9 million last year), leaving a positive difference of \$21.7 million, which contrasts with last year's deficit of \$56.8 million.

CSO: 3248/428

DOMINICAN REPUBLIC

STUDY CONCLUDES TOBACCO INDUSTRY IN CRISIS

FL241205 Santo Domingo LISTIN DIARIO in Spanish 17 Jun 85 p 1D

[Excerpts] A serious crisis is affecting the country's tobacco industry, according to a study prepared by several specialists of the sector. The study, titled "Diagnosis, Tobacco," was prepared by Agronomist Pedro Breton, senator and former secretary of agriculture, who used reports and statistics published by specialists of the sector.

According to the study, in the past 8 years more than 6,000 farmers have abandoned the cultivation of tobacco, which means that some 100,000 hectares have not been planted, that 250,000 quintals have not been produced, and that the country has not received \$18 million in foreign currency annually. At the present time, there are 19,976 farmers in the tobacco industry, with 66,000 direct jobs and some 300,000 others benefiting from it.

The report adds that the levels of productivity have dropped dramatically and the margins of benefit have been reduced so much that it is threatening to choke the undecided and fearful among the 19,000 producers who are still trying to produce tobacco. The cost of production has gone up excessively, and domestic prices have not been raised proportionately.

In the international market, the country has continued to lose buyers because this is the country with the highest priced black tobacco. Out of 20 countries which used to buy this product, only 8 remain interested.

Spain, which has always been our principal buyer, has just announced a reduction of 50 percent in its volume of purchases (approximately 6 tons) together with a reduction of 25 percent in the price.

CSO: 3248/428

DOMINICAN REPUBLIC

BRIEFS

**OIL BY-PRODUCTS CONSUMPTION**--According to recent final statistics prepared by the National Energy Policy Commission, important changes were evident during 1984 concerning local production and consumption of oil. In 1984 production of oil by-products increased by 3 percent. Significant increases were reported in the production of gasoline (13.5 percent), diesel-oil (8 percent), kerosene/avtur (14.9 percent) and naphtha (18.2 percent). However, production of fuel oil and liquefied gas declined by 7.2 percent and 5.9 percent, respectively. Last year, consumption of oil by-products totaled about 16,807,300 barrels, which represents an absolute increase of 1,090,500 barrels as compared to 1983. In relative terms, this increase amounted to about 7 percent. The fuels whose consumption increased the most were diesel-oil, (consumption went up by 26.1 percent), and naphtha, (24.7 percent). Other fuels consumed in higher proportion in 1984 included kerosene/avtur and gasoline. Compared to 1983, consumption of the former increased by 14.6 percent, and of the latter by 11.5 percent. However, consumption of fuel-oil, liquefied gas, and aircraft gasoline declined by 2.4 percent, 0.9 percent and 15.7 percent, respectively. [Excerpts] [Santo Domingo LISTIN DIARIO in Spanish 2 Jun 85 p 12 A]

**CDE LONG-RANGE FINANCIAL PROBLEMS**--The financial and electricity production problems of the Dominican Electricity Corporation [CDE] are long-range problems that will continue to exist as long as the CDE continues to depend on petroleum for its operations. Statistical data for 1984 compiled by the National Energy Policy Commission show that in 1984 the CDE imported almost all the petroleum products imported by the Dominican Republic. The CDE imported almost RD \$110 million while the Dominican Petroleum Refinery imported RD \$26 million in petroleum products. The refinery also imported RD \$378 million of mixed fuel oil and gasoline. During the past decade, imports of crude oil and petroleum products were of great importance and, in the Dominican Republic, constituted a high percentage of total imports and exports. In 1984, the country imported 13,415,158 barrels of crude and reprocessed oil and 4,460,975 barrels of petroleum products. These imports cost \$440 and \$137 million, respectively. [as received] The refinery imported about 70 percent of the hydrocarbons, the CDE about 19 percent and Falconbridge about 11 percent. [Excerpt] [Santo Domingo LISTIN DIARIO in Spanish 2 Jun 85 p 12 A]

CSO: 3248/428

JAMAICA

## PNP DETAILS POLICY DISAGREEMENTS WITH SEAGA, ALTERNATIVES

### Mullings on Monetary, Other Issues

Kingston THE DAILY GLEANER in English 19 Jun 85 pp 3, 21

[Text]

**P**NP SPOKESMAN ON FINANCE, Mr. Seymour Mullings, says it is not true that the Party has no alternative to the ruling JLP's policies, and has outlined them in regard to deregulation, exchange rate, food subsidies, housing and unemployment.

Addressing a "People's Forum" at Oceana hotel in Kingston on Monday, in which he dealt with Prime Minister and Minister of Finance Edward Seaga's budget presentation, he said the claim that the PNP had no alternative was as far from the truth as one could get. In a two and a half hour presentation to a full-house in the Grand Ballroom he spelt out the PNP's alternative policy.

Before going into the PNP's policy, Mr. Mullings said the structural nature of Jamaica's socio-economic problems are such that there was no magical solution to them. "This is not a new position. This is a position which we have held over all these years," he said.

Mr. Mullings said in 1980 in the midst of the promise of deliverance and "money jingling in pockets" the PNP had outlined the gravity of the problem and said there would be need for restraint and sacrifice for some years to come.

"The position we held then still holds and anyone who is looking to us for instant relief and prosperity please look elsewhere."

"As a party we have no intention of buying cheap popularity because in the long run it leads only to depression and loss of faith."

Mr. Mullings said the PNP had presented a systematic and consistent

analysis of the country's problems at every opportunity since they left office in 1980, and several interest groups had been presented with written proposals which had been discussed with them.

He said persons had asked for an alternative and "expect us to say we will find X million dollars here and Y million dollars there in order to meet this payment or that payment."

But such an approach was meaningless because they did not trust the figures given out by Mr. Seaga, as there was reason to believe that any scenario he painted was far worse in reality; and even if they had reliable figures now, the situation was worsening "by the minute, to the point where yesterday's figures are virtually meaningless today."

On specific policy areas, Mr. Mullings started with deregulation which he said was at the heart of Mr. Seaga's policy.



He said when it was announced in 1981, whereby the economy would be opened up to imports from anywhere and the Government would relinquish its role as a main actor in the economic arena, the PNP had voiced objections.

The objections were on the grounds that the productive base of the country would be rapidly eroded, "as we exposed domestic producers to dumping from abroad."

Certain sub-sectors have had their output drastically reduced and others had to close down, and the "much-talked about growth in agriculture represents only an attempt to return to where we were in 1978, after the debacle of 1982 and 1983."

Mr. Mullings said: "The PNP will provide protection for several sensitive areas of production which are needed for economic growth but which could be wiped out by cheap imports."

"Items produced by our farmers for domestic consumption would be given this protection; so would industrial products which utilise local raw materials."

"The obvious question is how do we protect the consumer from being gouged by domestic producers who are protected from imported competition. There is no easy answer to such a problem but a partial answer will lie in the continuous dialogue which will be maintained between various sectors of the society through a National Planning Council."

Mr. Mullings said the PNP again opposed deregulation as it applied to monetary policy. It was impossible to stimulate production with interest rates at 30 per cent per annum.

Such a move was counter-productive, and a PNP Administration would impose a credit policy which provided credit at lower interest rates to domestic food producers, users of domestic raw materials and exporters.

Within this category of exporters they would include CARICOM exporters as they felt that the country's ability to compete in third countries would be based on the ability of local producers to establish a firm base both at home and in CARICOM.

He said the PNP fundamentally opposed the policy of deliberate neglect of CARICOM for third country markets. The fact was that the earnings from these markets had not begun to approach the losses from CARICOM.

Mr. Mullings said the PNP also regretted the JLP's attempt to project protection of domestic markets as being opposed to expansion of third country exports or on the export front, an either/or choice between CARICOM and Third Country markets.

The PNP's policy was that it was possible to carry out all three policies.

The PNP, in general, also rejected the idea that foreign exchange which is the scarcest of all resources, can be allocated solely on the basis of the highest bidder.

"It is an abdication of responsibility when hospitals can be short of drugs because there is no foreign exchange whilst there are 5,000 satellite dishes in Jamaica worth over U.S.\$25-million," he said.

Mr. Mullings said the exchange rate policy was an example of change with chaos and had involved six types of arrangements since October 1980.

"When the Seaga regime took office, it inherited a fixed rate of exchange rate of U.S.\$1 = J\$1.78 which the IMF regarded as adequate. All the changes since then have been designed by the JLP in response to their own mismanagement."

PNP's policy would be to establish a single, fixed rate. The use of a fixed rate did not exclude the possibility of using devaluation as a policy instrument if this became necessary.

Mr. Mullings said: "the major advantages of a fixed rate are:

- 1) it enables both the private and public sector to plan over a set time horizon
- 2) it would slow down the increase in the cost of living, and
- 3) reduce the strain of our debt payment on the budget.

With a fixed rate, the Government must assume full responsibility for the allocation of the available foreign exchange.

This would require the operation of a licensing system and exchange controls. This would require no more bureaucracy than the auction system now involved.

Mr. Mullings said it was said that the auction system discouraged speculation but a fixed rate encouraged the black market.

However, speculation was more prevalent under the auction system because profit could be made twice a week.

He said the deregulation policy of the Government had resulted in the elimination of both the subsidy on the basic foods basket and on the inputs into domestic food production.

A PNP Administration would identify a basic set of food items which would be held within the reach of the average worker.

In addition, apart from easier credit terms, critical inputs into production like fertilizers and sprays would be subsidised in order to facilitate cheaper prices for consumers.

The PNP was willing to discuss and negotiate the level at which such subsidies would be maintained. However, the Party was unwilling to accept or even discuss the retention of the policies which are leading to increasing levels of

hunger and malnutrition throughout the country.

More generally, a priority project for the next PNP Administration is a National Nutritional Programme involving the health, agricultural, manufacturing and import sectors which leads to raising the nutritional levels of the population to specific levels over the first five years of Government.

On housing, Mr. Mullings said the JLP's policies had collapsed. The PNP's policies towards housing would be to revitalise the National Housing Trust so that it could play the lead role in providing units for middle and lower income groups.

This would entail a return to the role for which it was established in the first place. There was no worker on a take home pay who could afford a housing unit at a 21 percent interest rate.

"A revitalised NHT where the Government pays all that it owes to the Trust will be the centrepiece of our strategy for housing the middle and lower income workers," Mr. Mullings said.

"As regards the lowest income groups, the Sites and Services programme developed by the PNP will once again be revitalised."

On unemployment, Mr. Mullings said the JLP's boast of 100,000 jobs in three years had long been forgotten.

The PNP maintained that the problem was so big that it could not be solved simply through central direction and the construction of huge factories, employing everyone in the formal manufacturing sector.

### Export Strategy

Kingston THE DAILY GLEANER in English 21 Jun 85 pp 19, 23

[Text]

The People's National Party's strategy for the development of the export sector which involves a twelve point plan of action, was outlined yesterday by Chairman of the Party, Mr. P.J. Patterson.

He was addressing a luncheon as part of activities for the JEA Conference/Marketplace held at the Wyndham Hotel in New Kingston. He noted that it was a fallacy to believe that alternate measures had to be mutually exclusive and could not contain similarities.

The proposals put forward by the PNP included the halting of the de-regulation process, making adequate funds available to exporters, the re-establishment of the Jamaica Development Bank, a fixed exchange rate, the removal of the present stamp duty on raw materials imported for exports, the revival of CARICOM and the establishment of a national planning council.

This council, Mr. Patterson said would be the apex of the economic system and would generate regular consultations between government and the export sector. It would comprise representatives of the government, private sector and the workers.

Elaborating on the proposals, Mr. Patterson said that exporters should be provided with adequate credit facilities and they should not be strangled by "usurious interest rates and punitive duties." Jamaican exporters, he said could not borrow at a rate of 31 per cent and compete with American exporters who borrowed at a prime rate of 9%. He said that a special interest rate regime should be established for the export sector.

On the need for a fixed exchange rate, the former Minister of Foreign Trade said that the present level of devaluation was far beyond that required to make export prices competitive. If necessary, he said, the Government should indemnify the exporter against exchequer losses at a prime rate. This would stabilise the price of money to the exporter thus enabling better forward planning.

On the removal of the present stamp duty on imported raw materials for exports, Mr. Patterson said that in addition to this there should be a rebate on the taxable portion of corporate profit providing that the full subvention was ploughed back into the enterprise to expand output

and employment or for diversification.

CARICOM, Mr. Patterson said, should be revived and strengthened, adding that there was no justification for the drop in Jamaica's share of the CARICOM market and reduction of exports in CARICOM.

Noting that exporters to CARICOM should not be placed at a disadvantage, Mr. Patterson said that any policy which placed Jamaican products at an unnecessary competitive advantage should be dismantled.

On other aspects of the strategy, Mr. Patterson said that fuller use should be made of existing plant capacity, generous incentives should be provided for the export sector and deliberate effort should be made to hold onto existing markets. Jamaica, he said, should not seek new markets at the expense of existing ones.

The plan also includes "aggressive diversification" of export markets, working to improve the terms of trade for the developing world of which Jamaica is a part, trade promotion and trade servicing.

Earlier, Mr. Patterson said it was a fallacy to maintain that a strategy to expand exports was incompatible with a drive to simultaneously enhance import substitution capabilities.

"Indeed, the very capacity to be competitive in the export market, is a function of the level of efficiency with which the productive unit is capable of satisfying domestic market demand," Mr. Patterson said.

JAMAICA

TRADE UNIONS SCORE GOVERNMENT MONETARY POLICIES

FL1201946 Bridgetown CANA in English 1750 GMT 20 Jun 85

[Text] Kingston, 20 Jun (CANA)—Five Jamaican trade unions say the government's monetarist policies have savaged workers and have called for a refutation of the economy. The proposal was contained in a document on alternatives to current policies of the Edward Seaga administration.

The document was signed by the powerful National Workers Union (NWU), which is aligned to the opposition People's National Party (PNP), the Trade Union Congress (TUC), the Union of Technical, Administrative and Supervisory Employees (UTASP), the Jamaica Association of Local Government Officers (JALGO) and the Jamaica Union of Public Officers and Public Employees (JUPOPE)

Under agreements with the International Monetary Fund (IMF), the government has been cutting real government spending, which has meant the firing of thousands of public sector workers and tight rein on wage increases, plus the elimination of subsidies.

The government has also introduced tight credit policies and heavily devalued the Jamaican dollar, which along with a deregulation of the economy has sent prices skyrocketing.

We feel that the government and the IMF are taking a short-term view of our economic problems, the unions said.

They agreed that Jamaica had achieved a near economic miracle in the last fiscal year by reducing its budget deficit from over 17 percent of GDP to under 7 percent. But economic miracles such as these are irrelevant when your belly is hungry, when you cannot pay your rent, when you cannot buy shoes for your children to [words indistinct].

So this is the price which workers are paying for the economic miracles. In fact, many thousands of workers and their dependents have already paid the price, the unions said.

About 15,000 public-sector jobs have so far been lost under the government's adjustment programme.

As an alternative, the unions offered what they called the 3 R's alternative--reflation, regulation and restructuring.

Reflation, they said, would stimulate increased production and employment.

This course, they argued, was possible even if public expenditure could not be increased, by restructuring the allocation of expenditure so that increased amounts would be channeled to stimulating output and employment.

This will have to be accompanied by the easing of the credit squeeze, which is reducing employment, especially in the construction industry, the document said.

They said that an economy such as Jamaica's did not stand to benefit from wholesale deregulation, and suggested a policy of selective regulation.

Among their suggestions was one for subsidies on basic food items, a regulating of the exchange rate so as to stabilize the value of the Jamaican dollar and the indexing of public sector wages to increases in the cost of living.

This minimum should be applied in the case of public-sector employees under extenuating circumstances, the unions said. Private-sector wage bargaining should remain free of any guidelines.

On restructuring government spending, the unions called for a reduction in the amount going towards servicing the country's US 3.2 billion dollar external debt.

We are not asking for default, they said. Rescheduling can provide meaningful relief if it is on development terms, not those which suit the creditors solely.

They also suggested that J 20 million dollars of the 30 million dollars allocated to parliamentarians for spending in their constituencies--the unions called it a slush fund--should go towards paying teachers.

The government should also cut down on the number of foreign consultants and the level of foreign travel in the public sector.

They also called for a restructuring of the tax structure to relieve the burden at the lower spectrum, and to make changes in the indirect system to yield more from luxury items.

For instance, they estimated that there were in Jamaica over 5,000 satellite dishes valued at about J 125 million dollars. At 10 percent tax, they would yield 12.5 million dollars.

They also called for changes in the pricing structure of government-run utilities to allow for cross subsidisation in the system. The present system of rates based on private or industrial use placed too much burden on workers, the unions said.



A significant absence from the signatures of the document was the Bustamante Industrial Trade Union (BITU), which is aligned to the ruling Jamaica Labour Party (JLP), but Vice President Lascelles Beckford said it had only reached him today.

Beckford, whose union Sunday joined the others in sharp denunciation of government wage offers to public sector workers and the drastic cutting of jobs, declined immediate comment on the proposals.

CSO: 3298/831

JAMAICA

PNP DEMONSTRATORS INTERRUPT PARISH COUNCIL SESSIONS

Kingston THE DAILY GLEANER in English 14 Jun 85 pp 1, 3

[Text]

PNP supporters took over three Parish Council chambers yesterday, proclaiming themselves the Councillors and delaying and disrupting the regular monthly meetings. JLP Councillors and one Mayor involved called the action in St. James, Manchester and St. Mary a "coup" which could have led to "bloody confrontation."

The action by the PNP involved top officers of the party at each of the three Councils and was taken to dramatise the party's call for Local Government elections now. They said the Councils were now illegitimate.

Last night the Minister of Local Government, the Hon. Neville Lewis, condemned the action and said the Mayors and Councillors, supported by the Ministry, would take all necessary steps to carry on their legitimate business.

On the night of St. James and Manchester just before 10 o'clock — the regular meeting time of the Councils every second Thursday of the month — when the caretaker councillors and officers of the PNP went and sat in the seats of the elected Councillors and supporters occupied the floors of the chambers and the galleries. When the incumbent Councillors came to take their seats they were shouted at, told the "real" Councillors were in place.

In Manchester the caretaker Councillors led by former Mayor of Mandeville Eric Sanderman and PNP Deputy General Secretary, Mr. D.

Buchanan took the seats of the Council and forced the Councillors to stand aside. The Chamber and the grounds of the Council were crowded with scores of demonstrators, singing party songs and saying the time was over for the all JLP Councils.

The Mayor, Councillor Cecil Charlton asked the Councillors to be orderly and told former Mayor Eric Sanderman that he was sympathetic to their cause, they had a right to protest and if he was allowed to start the meeting the protesters would be given 15 or even 30 minutes to address the meeting and have the matter recorded. But the members refused and when Councillor George Ramocan (also Senator) told them they had no right in the Councillors' seats and they were behaving in a disorderly manner, they began shouting. Police were sent for and arrived but could not get the demonstrators out of the chamber. For one hour they sang party songs, refused to leave the Council Chamber while heavily armed police who had arrived stood by.

Mayor Charlton said he had made four appeals for the police to get the demonstrators to leave so that he could start a meeting and had been given no help. He said if he was not allowed to start he would call the meeting for next Thursday and then he would need no police assistance.

At 11:15 the protesters said they had made their point and left and the Council met in camera for a few

minutes. Senator Ramocan said a 'coup' had been staged after the fashion of Bernard Coard and Maurice Bishop.

From St. James the Western Bureau filed this report:

The Municipal Offices of the St. James Parish Council were seized by PNP supporters, who proceeded to hold what they described as a protest meeting against Mr. Seaga's failure to announce the holding of Parish Council election slated by law for June 30.

The protest meeting was chaired by former PNP Deputy Mayor Mr. Milton Stewart assisted by former Councillors Byron Leslie and Eric Napoleon Vernon.

The Council's Chamber was full to overflowing with an even much larger number of demonstrators in the street below.

There was a strong detachment of police on hand to keep members of the crowd from further entering the building.

Former PNP Minister of State Mr. Francis Tulloch and Local Government Minister Mr. Ralph Brown were barred from entering the building.

The two-hour occupation of the Council Chamber was described by the PNP supporters as a demonstration "to show Seaga that we have reached the end of our patience." They said they were "demanding election now!"

Upon entering the municipal building, the PNP supporters moved directly to the Council Chambers

where a former Deputy Mayor, Milton Stewart sat in the Mayor's chair while his colleague caretaker councillor took control of the chairs reserved for Councillors and officers.

Only after they had vacated their chairs, were the elected Councillors able to convene the meeting which was marred by what has been described as unruly behaviour by some PNP supporters who used abusive and profane language even while prayers were being said to start the meeting.

Upon leaving the Council building, the protesters marched up Union Street, congregated on the Mutual Life Building car park for a while before moving on via market street. The walls of the municipal building were defaced with anti-government slogans, written in bold letters with red paint.

Reacting to the seizure of the building, Councillors described the exercise as one which could have led to "the bloodiest confrontation".

Mayor Shallman Scott in condemning the action said the PNP had staged a "bloodless coup." He said that it was a vivid reminder of what took place in Grenada.

The Mayor congratulated his fellow Councillors for their restraint and good sense in the matter which he said could otherwise cause a "bloody confrontation which could probably destroy our sagging tourist trade."

Mayor Scott said that although he was not a person to be easily frightened when he entered the Council Chamber he was afraid.

From Port Maria, St. Mary, the Gleaner's correspondent filed this report:

PNP demonstration at Port Maria's Parish Council today forced the

premature and disorderly adjournment of the Council's monthly meeting.

Hundreds of PNP supporters led by General Secretary of the PNP, Dr. Paul Robertson invaded the Council while in session today calling for the holding of Parish Council elections by June 30.

The Mayor of Port Maria, Councillor Lloyd Henry, told the Gleaner that the monthly meeting of the Council was in session and that the PNP demonstrators led by PNP General Secretary, Dr. Paul Robertson, Mr. Terry Gillette, Mr. Henry Douglas, and Mr. Manley Bowen "came in the chambers forcibly, sat around the table and physically forced the abandonment of the meeting."

The Mayor also told the Gleaner that they tried to remove the symbol of authority from his neck but he managed to escape. He said too that he advised the JLP Councillors and officers of the Council not to retaliate as the scene could end in a bloody situation. Councillors and officers deserted the building and the PNP took over and held their meeting.

In his statement last night Minister Lewis said the Government would not allow a return of the total disrespect for the rule of law that was relevant under the last PNP administration. All necessary steps would be taken so the Councils could hold their meetings and conduct their business on behalf of the people who elected them.

In the House of Representatives yesterday Mr. Neville Murray, MP for West Central St. Mary, condemned the PNP action in St. Mary which he said had also disrupted the proceedings of the St. Mary Circuit Court next door.

JAMAICA

**TEACHERS CONTINUE PROTEST ACTION, WANT GILMOUR OUT**

**Kingston THE DAILY GLEANER in English 20 Jun 85 pp 1, 3**

**[Text]**

Teachers continuing their "rolling protest" action to get a better wage increase offer from Government demonstrated in three parishes yesterday.

Schools in St. Catherine, Kingston and St. Andrew were closed yesterday as teachers went on strike and took to the streets to demonstrate. They carried placards criticising the Minister of Education, stating that the truth was not being told about the Education Tax and pointing to their own economic condition.

The teachers have warned that their action would continue and heighten if no meaningful offer is made by Government around which they can negotiate. They have rejected the 12% offer so far made by Government.

Since the one-day strike on May 30 by teachers represented by the Jamaica Teachers' Association (JTA) and the National Union of Democratic Teachers (NUT) in the 14 parishes, the teachers have been staging strikes in different parishes for one day each week to dramatise their plight.

The strike yesterday in Kingston, St. Andrew and St. Catherine, the most populous part of the country, meant that more schools were affected than at any time previously in the one-day strikes in different parishes this month. So far, 11 parishes have been involved with only Portland, Hanover and St. James not yet experiencing any one-day strike this month.

Reports were that the Secondary School Certificate Examination (SSC) done by students in New Secondary Schools was disrupted yesterday in

the parishes where the strike action was taken but this could not be confirmed by the Ministry of Education. However the overseas examinations went on without disturbance.

The demonstration in the Corporate Area was centered on Half-Way Tree Road. Before 8 o'clock teachers gathered with their placards and began wailing, and moaning about what they said was the ill health of the education system. Some carried caricatures of the Minister of Education, Hon. Dr. Mavis Gilmour and other placards criticising the way the negotiations were being handled and the amount being offered to the teachers. A major point of attraction was a coffin which the teachers said would soon hold the body of the education system if they, (the teachers), had no relief from their economic plight. They were later addressed by JTA president, Mr. Noel Monteith; the chairman of the Salaries and Conditions of Service Committee, Mr. Woody Miller and the JTA parish presidents for Kingston and St. Andrew.

Several demonstrations were staged in St. Catherine including the 'T' Junction, Old Harbour, Linstead and Spanish Town.

The *Gleaner's* Spanish Town Correspondent filed this story:

Chanting "police and soldiers can't keep schools" and "Mavis must go", teachers in Spanish Town demonstrated yesterday against the 12 percent wage offer made to them by the Government. The Secondary School Certificate (SSC) examinations, a local examination which was scheduled to take place was postponed and there were traffic snarls as

teachers barged into the streets shouting "yuh couldn't read, yuh couldn't write and teachers set you up."

The over 500 teachers attired in red and black, supported by students and numerous parents, some with babies at their sides, demonstrated for over three hours on Burke Road in the vicinity of the Jamaica Public Service Company office, before marching to the Spanish Town Secondary School on Young Street, where teachers were addressed by representatives of the local body of the JTA.

Speaking to the *Gleaner* before the meeting, Mr. Victor Edwards JTA president-elect said that the SSC examinations in the parish which was scheduled for Wednesday, was postponed because of the protest action, and added that the "examinations will be held on another day." He said external examinations such as the GCE and CXC could not run effectively without the presence of teachers and their protest had "halted the presentation of the examination."

Mr. Edwards described as "absolutely foolish," the increased wage offer made by the Government to teachers, adding that "in no way we are going to give up our war for increased salary." He said several different forms of action would be taken and the teachers remained resolute in their cause.

Addressing the teachers, the president-elect of the JTA said that the teachers were still trying to find what had happened to the Education Tax. He said the Government announced

that \$50 million was collected from the Education Tax and \$10 million was left and was now asking the JTA how the \$10 million should be spent. He said this approach was "facety" as the teachers should have been involved before the majority of the money was spent.

He told the teachers that the JTA Council would soon examine its action so far and decide on what further steps to take.

The president-elect of the St. Catherine Association of the JTA Mrs. Vilhell Allen, the Secretary of the Association Mrs. Ellen Dawes and the president of St. Jago District Association of the JTA Mr. Basil Benjie also addressed the teachers. All speakers praised the support received from parents during the protest action.

And from Old Harbour this report:

Teachers in the Old Harbour area turned out in large numbers to support the JTA's protest action yesterday when they participated in demonstrations in Old Harbour from 7.30 a.m. until after mid-day.

Under the watchful eyes of the police, led by Superintendent B. Smith of the Old Harbour Police Station, over three hundred teachers demonstrated in front of the Old Harbour Primary School. They carried placards bearing different messages. Some of them read — "Wanted, a New Education Minister", "Tell the Truth about the Education Tax, Mr. P.M.", "Teachers are sick islandwide", "Too much strain on our hungry payless backs", and "Pay more money now to prepare for old age".



**JAMAICA**

**ROLE OF DOMESTIC MARKETS, OUTPUT IN SEAGA POLICY HIT**

**JAE Leader's Comments**

**Kingston THE SUNDAY GLEANER in English 16 Jun 85 pp 11, 19**

**[Text]**

**E**xport week (commencing today) is being celebrated at a time when the country is badly in need of increased foreign exchange earnings to fill the gap left by the dramatically cut earnings from bauxite and alumina. Indications are not good though — last year export earnings were down 10% in US dollar terms compared to 1983.

The Jamaica Exporters Association (JEA) — which represents some 300 exporters from such areas as export trade, export manufacturing, agro-based exports and non-metallic mining exports — go into the week saying they can do it, but... The but, explains JEA president Mr. Claude Clarke, consists of lack of Government support and a Government policy running counter to exporters efforts and desires. But the exporters are not throwing up their hands, says Mr. Clarke in an interview with FRANKLIN McKNIGHT.

Mr. Clarke said the week of activities will focus on the business of exports and the vital role exports must play in the life of the nation. "We have only been playing lip service to exports so far and not putting national development efforts into exports," Mr. Clarke said.

Two areas of "high growth potential" are to be targeted during the week. One is non-metallic minerals including gypsum, marble, and limestone from which the JEA says US\$100 million per year can be earned in a short while with a small amount of investment. The other is agriculture-based industries from which Mr. Clarke said an "incremental amount of US\$300 million can be earned in three years." During the week, there will be visits to some of the sites of the mining areas as well as to farms to talk with people involved now in the industries; government ministers will be on hand to hear the problems, views and outlook of the relevant people and to begin to map the way to increased income from these areas.

## Marketing structures

The key to these two new areas, like any other area of exports, is marketing as far as the JEA is concerned. The view of the JEA is that Government is not targeting the markets correctly or setting up the proper marketing structures to help exporters.

Asked about the view that exporters here were generally unwilling to take on (third) markets outside of CARICOM, Mr. Clarke said:

"I can't subscribe to that view. There is nowhere in the developing world where that can take place without a firm economic base from which to launch. Exports is at best a risky business. You have little control of the market... often little knowledge of it. You need an anchor, a base from which to anchor so you can go out in confidence knowing that you have that anchor. And that must be a domestic market place for your products... In many countries they have fiscal and other incentives which provide the anchor for the exporters.

"The Jamaican market is fairly small and now economically weak. We also have to treat CARICOM as an 'extended domestic market.' We need to go into third markets with competitive edge and we must go only with marginal costs because our competitors are coming with marginal costs. Those who say we are shortsighted and unadventurous don't understand what it's all about to go into a third market.

## Protected local market

**Question:** But how long must the exporters want a protected local market before they can get this "anchor" as you call it?

CLARKE: The two things are not really mutually exclusive. The secure domestic market provides you with the base on which you can develop your export market and the development of your export market will provide you with the leverage which you need to intensify your competitiveness on the local market. Nobody can just draw a line and say as of this or that date all companies must stop using their domestic market as their base and must start working. It doesn't work that way.

"Remember this always — the only motivating factor that business has is its own profitability and viability. There is no company, no businessman and no exporter I know who is merely content to make 'x' amount of profit. Every businessman wants to make more and more profit. So while it is possible to make profit in Jamaica, it is obvious that we will make more, on top of that profit, by going into export market."

## 'Branded products'

Mr. Clarke said that Government policy was destroying the bases necessary for an export thrust into third markets. He said the secure domestic market was being destroyed (also because of problems with CARICOM); imports were whittling away the base for local demand from manufacturers here; and "fiscal structures" or incentives to help exporters were lacking. Mr. Clarke again criticised the policy of deregulation.

"We cannot sacrifice everything we have worked for over the decades in building up a very impressive domestic industrial structure in order to pursue export markets which are not even secure. And to secure markets for "branded products" is a dangerous and tedious task.

He says it takes a long time to get a product on to the market to satisfy the wholesaler, retailer and consumer and get the product accepted. That requires a great deal of marketing and investment and very often it means losses for some time.

## Problems with deregulation

**Question:** You talk of the problems with deregulation but what are the damages to the economy? Where are the problems?

CLARKE: It has done a lot of damage already.

He referred to the no-funds licensing system as the onset of de-regulation where goods were coming in without licence on indirectly acquired Jamaican funds. Later the process had become accelerated.

"The fact is, whether you want to say garment exports increased or what exports as a whole declined last year by 10% compared to 1984, the fact is manufacturing declined last year. If you want to find out why you get a certain result, (the thing to do is) check the factors that have changed. And the single factor that has changed is the de-regulation of imports.

"What has deregulation of imports done. It has removed the ability of the nation to control its expenditure on imported goods. It has removed the ability of the nation to influence disbursements of scarce foreign exchange resources. It has ceded the responsibility for that kind of scientific or practical allocation of resources to that thing called market forces. That is purely another way of saying those who are best able to buy U.S. dollars will do so and they will determine what goods come into the country...

### **Govt. intervention**

"If those who are in the business of importing and selling are more able to afford foreign exchange they will be the ones who will do so. Because we have relinquished our control over the (financial) resources, we have starved the productive sector of the resources it needs. We are talking of those who PRODUCE for exports. This arrangement of unbridled demand for consumer imports has increased overall demand for foreign exchange which has pushed the price of that scarce foreign exchange up and up."

He said had government not intervened "with a different form of control" that is credit restrictions and a high interest rate policy, the demand on the dollar would have led to even more rapid deterioration. But he said the controls came "after the whole nation and economy had been savaged by devaluation."

What had also happened is that pressure on the dollar through deregulation had affected the ability of the Jamaican consumer to support local industry at the same time when the costs of inputs of the manufacturer were increasing. The end result was that those in the business of importing and selling goods were better off than exporters.

### **Decline in export value**

**Question:** So there is a decline in the export value and in manufacturing. How many jobs have been lost, how many businesses closed? Are people on the verge of getting out? What is the intelligence on this?

**CLARKE:** At the moment we are trying to gather that form of information to be able to deal with it scientifically. I wouldn't want to speak out of turn. I believe that a lot of businesses are coming in. But you have to look at the bottom line result, what is the net loss or gain to the country. We lost in 1984.

**Question:** But we gather, we hear that a lot of people are going into exports... there is activity. How could the policy be so bad...

**CLARKE:** We do have a certain broad shift of emphasis to export, much of it is in desperation. Many people have been forced into the business because their domestic operation has become impossible. The JEA does not want the development of export activities at the expense of the whole society because there will be no export community if there is no viable Jamaican economy.

### **Devaluation**

**Question:** You complain about deregulation and the policies which have led to devaluation, but isn't devaluation benefitting exporters?

**CLARKE:** Devaluation was not carried out to make exports competitive but was forced on by deregulation. There was pressure on the Jamaican dollar because of de-regulation. Now, under normal circumstances devaluation does benefit export-

ers... This is where the dependence on imports for exports is relatively small; you have in place an industrial infrastructure to rapidly respond to the advantages of devaluation; you have in place or are close to having in place marketing structures and connections to be able to take advantage of the devaluation.

However these conditions were not relevant to Jamaica's case with an industrial base which was highly import-dependent. The situation was: over 50% of raw material was imported; all the fuel was imported; there was no well developed marketing system in the market place and high import costs like freight. The only area of benefit was labour. "When you devalue the returns on people's labour you create social problems...and you have an unstable society and in an unstable society it is very difficult for industry to thrive and very critical for tourism." He said the exporters and the nation need the dollars from tourism.

#### Neglecting Duties

Clarke: We are neglecting our duty as Government and exporters when we export valuable agricultural products in their primary form. I would say we are sacrificing our birthright when we export cocoa, coffee, ginger, pimento as raw exports. Our indigenous products with worldwide reputation and high demand should be properly marketed and our country is the poorer for it.

He outlined an elaborate marketing strategy set out by the JEA for the USAID financing to help exports and this would change the way exports work.

The exporters say they have put to government a package of fiscal and other incentives, tied to performance, and which would cost the government nothing but which if implemented could bring in \$300 million more per year than the present US\$180 million in export earnings.

On the political position of the JEA, Mr. Clarke said: "When we speak we speak for the interests of all the exporters. And when I took over this chair I laid down a rule, no political speeches!"

#### Warning on Export Overemphasis

Kingston THE DAILY GLEANER in English 17 Jun 85 p 3

[Excerpts] The Jamaica Exporters' Association (JEA) 10th annual National Export Week was officially launched yesterday with a warning that if export was encouraged at the expense of the nation's capacity to feed itself, Jamaica's freedom could not be guaranteed.

The warning came from the Anglican Lord Bishop of Jamaica, the Right Reverend Neville DeSouza, as he addressed the commemorative service, the first in the line of activities in celebration of JEA's National Export Week which runs from yesterday to Saturday.

"The leadership of Agro 21 comes

from the source that posits the doctrine; then we ask, whose doctrine, objective, policy, and goal? ...As long as it (export) is done at the expense of our capacity to feed ourselves, and guarantee our survival and consequent freedom that is ours, we will never be able to move. Unless we have an agriculture policy to be self-sufficient, then foreign exchange problems will always be ours."



Still on the agricultural policy, Bishop DeSouza criticized what he said was the commercial approach, with increased mechanization to farming, as this approach had the potential to make the peasantry unemployed. Turning to the foreign exchange allocation, Bishop DeSouza expressed

the view that the exporters should have a say in import policy as they were the ones who earned the foreign exchange to make the importation possible. He called for a greater co-ordination, dialogue, and mutual understanding to make import policies relate more to export.

### Stone on Free-Market Limitations

Kingston THE DAILY GLEANER in English 17 Jun 85 p 8

[Article by Carl Stone]

[Text]

IN HIS contribution to the budget debate, Mr. Douglas Vaz, our Minister of Industry and Commerce attempted to enter the debate I have been promoting about economic policy alternatives.

His point of departure was the suggestion that the PNP defended a self-reliant, inwardly directed approach to economic management while his party supported the export-led model of development. In his view the export-led model was the correct approach to solving Jamaica's economic problems as the inwardly directed import-substitution model had been proven to be a failure.

For some time now there has been a major debate in development economics between schools of thought advocating export-led development with an emphasis on industrial exports for Third World countries and others advocating import-substitution industrialisation.

The dramatic success of export-led industrialisation in the Far East, the evident limitations of import substitution industrialisation in South America, and the full support of the World Bank and other major international lending agencies for export-led development have settled the debate in favour of the view Mr. Vaz defends.

My own academic writings on the subject (referred to by Mr. Vaz) comes out strongly in favour of Caribbean countries meeting the challenge of the 80's by deepening their involvement in the world economy

through expanded and diversified export initiatives.

Having not heard any coherent statement from the PNP on what development strategies it would follow in the context of the present crisis in our economy, unlike Mr. Vaz, I prefer to reserve judgement on just how the PNP stands on this issue.

### Misleading

The debate about import substitution versus export-led strategies for industry, has, however been very misleading. What has been identified as failed import substitution policies refer only to one way of promoting import substitution through rigid trade barriers, monopoly markets, overvalued exchange rates. The side effects of high-cost and inefficient production, distorted prices, excessive inflation, disincentives towards exports, inefficient use of foreign exchange and unfair rates of exchange between subsidised, high-priced locally manufactured products and relatively cheap agricultural products have been well documented.

The problem is that the debate has been narrowly centred on industry and is largely irrelevant to agriculture where the evidence suggests that countries suffer if domestic food self-sufficiency is given low priority compared to export agriculture. There is now an abundance of empirical evidence that food self-sufficiency has to be the number one policy priority in agriculture to improve the quality of life of the majority classes in Third World countries and that in a number of cases the promotion of export

agriculture has had the effect of reducing nutritional levels by interfering with resources needed to sustain and expand the production of local food staples. Policies supporting and promoting domestic food production by local small farmers have been consistently shown to have greater long-run economic benefits than policies promoting commercialised agricultural exports, particularly if serious efforts are made to improve the technology, productivity and income earning capacity of small farmers as well as their ability to produce large quantities of varied food products at prices urban workers can afford.

This is not a case against the JLP's sound policies of promoting export agriculture. What I am suggesting is that in the long run food self-sufficiency ought to have been given the number one priority instead of emerging late as a sort of after-thought.

Although their policy results left much to be desired the PNP must be given credit for understanding that reality. The debate is also irrelevant in small open economies for a crucial reason which Mr. Vaz ignores and which has escaped the analysis of development economists because they know so little about small open island economies.

In an economy like ours that is so deeply dependent on imports (far more so than those in South America and in most of the Third World) big devaluations in currency simultaneously open up opportunities for increased exports as well as enlarged opportunities for increased import substitution because increased import



prices for so many items open prospects for price competitive local production which uses mainly local factors of production. The government has yet to recognise the full meaning of that in the policy incentives it offers the private sector and the financing it offers the business class.

## Quite feasible

It is therefore quite feasible for us to push for both deepened import substitution or reduced import dependence while at the same time pushing for export-led growth. In other words the abandonment of the traditional policy tools of promoting import substitution, while correct, ignores that fact that in our type of economy we are able to walk on both legs of development strategy using the big adjustment in exchange rates as the major point of departure in policy. This reality has also escaped the radical economists who critique the export-led objectives of devaluation policies.

In my view therefore this traditional debate between inward-led strategies and outward-directed strategies is irrelevant to our needs and options. We must have both to survive. In the context of a small open island economy the dichotomy is a false one. What we need are planned approaches to economics management which can allocate resources

according to some determined set of development goals and priorities. What Mr. Vaz failed to address is how far the deregulating strategies promoted by the IMF-World Bank combine and his government (in contrast to Far East economies) render such policy tools increasingly unavailable if the state is reduced to a level of inactivity and free market forces predominate as these prescription advocate.

On that issue the PNP is dead right. These so-called free market systems simply have not worked in the Third World. Mr. Vaz is an empiricist like myself. I therefore challenge him to point to one single case where this free market system has worked in the Third World. The Far East economies are all state interventionist models of development where the state functions like a big corporate entrepreneur directing economic traffic. Mr. Pinochet in Chile tried it and when it failed beyond question, he changed directions. Why does Mr. Vaz and Mr. Seaga believe that this model can work here?

There is of course a large issue here that is entirely ignored in these theoretical debates about development models.

Export-led growth in our context will take time to get off the ground having regard to the state of the

world's aluminium markets and the implications for our bauxite and alumina earnings. We simply do not have that time to play with.

## Big issue

A major economic storm is coming our way and we had better be prepared to deal with it. Economic disaster preparedness is the big issue on the agenda when our ability to borrow from the IMF runs out (in the very near future) and when our debt payments climb higher than they are at the moment, while our earnings levels remain below what we need to keep the economy supplied with basic imports.

When that "matter" hits the fan, we had better have in place strategies to ensure food production for local needs over and above what now exists and plans to ensure optimal use of scarce foreign exchange to keep the economy from a total collapse.

The central issue here is whether free market arrangements are relevant to that situation and whether parties and leaders able to galvanise and mobilise the commitment and energies of the people are far more relevant to national survival.

Export-led growth strategies cannot be avoided and are important, but national survival is going to demand much more than that, Mr. Vaz.

## Vaz on Export Data

Kingston THE DAILY GLEANER in English 19 Jun 85 p 2

### [Text]

Had CARICOM exports not fallen so dramatically during 1984/85, the performance of the export sector would have been far more positive and increased exports to third countries would have been incremental rather than simply taking up the void, Minister of Industry and Commerce, the Hon. Douglas Vaz, said last Tuesday.

Mr. Vaz, who was speaking in the Budget Debate in the House of Representatives, said that data available from the Statistical Institute to March, 1985 showed that total exports of manufactured goods increased by 60.4% to U.S.\$45.4 million, when compared with the same

period of 1984. The increased exports were associated with: improved competitiveness and strong market promotion in regard to beverages and tobacco products and mineral fuels; and, the 807 Programme which continued to expand its market.

The shift in direction of exports to third country markets from the CARICOM region, which was observed in 1984, continued into the first quarter of 1985. CARICOM exports for this period fell by 10% from 1984 to U.S.\$9 million, while exports to third country markets increased by 99% to U.S.\$36.4 million.

He said that for the fiscal year 1984/85 total exports from the man-

ufacturing sector amounted to U.S.\$170.1 million, approximately 10% over 1983/84.

All categories, excepting processed foods and manufactured goods, showed increases over the previous fiscal year. Processed foods and manufactured goods suffered from the decline in CARICOM trade, particularly with Trinidad and Tobago. In fact, total exports of manufactured goods to CARICOM fell 31.9% to U.S.\$51.5 million over the fiscal year, while exports to third countries climbed 49.7% to U.S.\$118.6 million.

"It is only fair to state that had CARICOM exports not fallen so dramatically — through no fault of our manufacturers — the performance of the sector would have been for more positive and in fact, increased third country exports would have been incremental instead of simply taking up the void created by the CARICOM fall-out."

The Government recognised the continuing importance of CARICOM trade, and was pursuing initiatives which were designed to resuscitate intra-regional trade, such as exempting CARICOM imports from additional stamp duty, which it was hoped would have the desired effect during the CARICOM Council of Ministers meeting later this month and the Heads of Government Meeting in early July.

Mr. Vaz said that output in the manufacturing sector during the fourth quarter of 1984/85 continued the upturn observed in the third fiscal quarter and stood at approximately 10.9% over the corresponding quarter of fiscal 1983/84 and 15.1% over the previous quarter, October to

December, 1984 despite widespread loss of production in January due to civil unrest.

"It is too early to say whether this upturn will last. However, the index for the period January to March 1985 represents the highest composite level of production since the third quarter of fiscal 1979/80.

Output in food processing increased 12% over the previous year's fourth quarter, despite declines in the production of poultry meat and condensed milk. There was strong performance in the output of flour, cornmeal and oils and fats.

Textiles production continued to decline and registered a drop of some 89%, as the Ariguanabo Mills has been out of production undergoing extensive re-organization. There was an increase of approximately 55% in cement production and a drop of 10% in glass bottles.

Turning to investments, Mr. Vaz said that the performance for the fourth fiscal quarter of 1984/85 showed an encouraging improvement over the same period 1983/84.

Total number of projects implemented by the JNIP rose by 30% to 13, while capital investment was up by approximately 300% to J\$21.86 million.

All sub-sectors excepting chemicals and chemical products and paper and paper products registered improvement. However, an examination of the fiscal year total figures showed increases in the chemical and chemical products sub-sector from six to nine projects and from \$3.52 million to \$13.2 million in capital investment.

JAMAICA

## SEAGA ANSWERS CRITICS, DEFENDS DEBT-SERVICING PRIORITY

Kingston THE DAILY GLEANER in English 20 Jun 85 p 1

[Text]

The Government has no choice but to ensure that the national interest takes top priority in all it does, Prime Minister Edward Seaga said in the House of Representatives on Tuesday.

Mr. Seaga was responding to criticisms levelled at the Government over the reaction of workers in the public sector to pay increase offers.

He pointed that the offer made to the public sector was a 10% increase for those persons who were put on the Government's Pay Plan in 1983 and were given a more substantial increase than the other workers, and 5% for those who were not put on the Pay Plan then, retroactive to April 1, 1985; or, 12½% to those already on the Pay Plan, and 18% to those not on the Pay Plan, retroactive to July 1, 1985.

He said that both offers had been rejected by the unions and there had been strong reactions from the teachers, nurses and doctors, in particular.

Mr. Seaga went on:

"No one can turn a blind eye to the fact that what we are witnessing is an expression of personal hardship, particularly by women who are in the great majority in these services. What they are saying is that they are experiencing genuine grief in their personal lives and family condition. We cannot overlook what they are saying; they are only some voices from a much larger network of women speaking for their families.

"The grief they are expressing is felt by all of us. I know many of them and know that in general, they are not speaking with a political motive but a voice of personal distress and we hear them cry and feel for them and cry with them too.

"But there are other voices that we also cannot escape hearing. These are the voices of our creditors who are seeking repayment of debts. If we fail to respond, we open the doors to a greater peril yet which will engulf teachers, nurses, doctors, their students and patients, producers and consumers, the young, the old and every living soul of the land.

"Imagine that tomorrow we found it necessary to cut U.S.\$186 million from our import budget, which I remind you is no more this year than it was in 1980. Basic foods would have to be reduced to a level of rationing; supplies would be cut to impossibly low levels in medicine, spare parts, fertilizers and school books; gasoline would be rationed; our creditors would seize our ships and planes in ports overseas; tourism would be stifled and hotels would close; the flow of raw materials would diminish greatly and factories would run on and off; in short, life would be sheer hell for all as nothing could prosper in that climate.

"Perhaps we have forgotten how close we came to this condition just a few years ago. All this scenario I paint is real if we ignored our creditors, refused to pay our debts as some advocate and as a result had no IMF agreement.

"The loss in foreign exchange would be U.S.\$269 million and in financing for the budget J\$867 million. That is a total wipe-out of the entire central budget and substantial recurrent costs as well.

"There would be no work whatsoever on roads, water supplies, clinics; no loans to farmers or manufacturers; no work on airports; massive lay-offs in staff of many, many thousands; the widespread closure of hospitals and even many schools.

"Faced with the reality that we can't adequately pay our teachers, nurses and police and service our due debt at the same time, which alternative would any Government choose: satisfy the lesser number of staff facing genuine personal grief at the peril of the whole nation, or maintain the functioning of the

country at known levels at the expense of particular groups?

"Both are painful choices, personally. But I submit that a Government has no choice but to ensure that national interest takes top priority in all we do. This though is little comfort to those who personally bear the grief, but if they had the choice with which Government is faced, what would they do, put themselves first?

"All this teaches us a lesson we must never, ever forget: two-thirds of the debt we have had to pay since 1980 is from the period of the 1970s when we borrowed well beyond our means to repay, and once we have straightened out this disaster, we must never, ever allow any Government to entangle us in a web of financial recklessness, grief and distress again."

CSO: 3298/833

JAMAICA

STONE DISCUSSES SEAGA'S LOSS OF CREDIBILITY IN WASHINGTON

Kingston THE DAILY GLEANER in English 19 Jun 85 p 10

[Article by Carl Stone]

[Text]

In an otherwise confident (though very defensive) budget presentation, our dear Prime Minister Mr. Seaga seemed visibly upset over suggestions that his credibility as an economic manager was now being questioned in Washington and in the various centres of western financial power where he has had so much backing and support in the past.

Mr. Seaga contended in rather boastful tones that it was his credibility in these circles of power which has enabled Jamaica to get so much foreign aid and support since December 1980 and that no one else has the credibility to get that level of external support for the country.

Indeed, even before his eloquent final statement conjured up the image of the small-statured Mr. Seaga carrying all of us on his back, Mr. Seaga's claim here had the clear suggestion that he thinks of himself as a sort of indispensable national asset whose international credibility is the sole basis of our ability to get overseas support.

There is of course an element of truth in Mr. Seaga's rather boastful claim but it is at best a half truth.

Undoubtedly the large inflows of aid into Jamaica have been triggered by U.S. President Ronald Reagan's sense of ideological affinity to our Prime Minister in his anti-communist regional crusade. Secondly, Mr. Seaga undoubtedly had a big impact in Washington and other western political and financial centres where he

projected the image of being another Third World "Lee Kuan Yew" who would prove to the Third World socialists, radicals, marxists and populists that traditional western capitalists ways of managing an economy produces better results and satisfies people's needs and aspirations more in the long run.

### Inherent problems

He talked the language and projected the values and perspectives western bankers, corporate executives and conservative politicians loved but did not associate with Third World leaders able to win massive landslide victories in elections. Their wish fantasies built him up into a new capitalist miracle manager.

Without carefully assessing Jamaica's credit-worthiness, the underlying structural problems in our economy and the specific development needs of a country with our history and social structure, Mr. Seaga's enthused backers put their money on him to demonstrate the virtues of Third World free market capitalism and reverse the leftist ideological directions in this region.

His backers expected miracles of him. Ideology on his part and their part reduced all our problems to the so-called muddle headedness of Mr. Manley and socialist mismanagement. Neither Mr. Seaga nor his backers carefully weighed the size of the problems that were independent of Mr. Manley's policy failures and that were inherent in our economic and administrative systems.



Even before the bauxite crisis turned the wicket Mr. Seaga was batting on into a strip that would make even the most accomplished batsman look like a tail ender, Mr. Seaga's rating as a free enterprise economic manager began to be questioned within institutions established by his backers to give him the tools to create the economic miracle.

## Questions

It is a well known fact that serious tensions developed between the local AID hierarchy and Mr. Seaga even before the bauxite crisis. Many officials in Washington became dubious of Mr. Seaga's claims as an effective manager of a free enterprise economy.

The central credibility questions related to the following areas.

1. Bureaucracy and red tape continued to strangle business initiative although Mr. Seaga's rhetoric gave the impression that deregulation of those bureaucratic controls was well on its way.

2. Mr. Seaga seemed unable to change the cumbersome bureaucratic edifice in short order and often compounded the problem by trying to make all key decisions himself.

3. Close contact with Mr. Seaga's administrative style convinced these foreign observers that his regime was inherently technocratic and that he was not the man to liberate entrepreneurial energies.

4. Mr. Seaga's increasingly poor relations with private sector interests and their consistent complaints about his not listening to them smeared his image as a private sector liberator.

5. The confiscatory levels of taxation his government seemed reluctant to change seemed inconsistent with his rhetoric.

6. While talking their language many of his actions were seen as not distinctly different from those of the previous socialist PNP regime.

7. In a country constantly seeking aid and constantly short of hard currency the rich and the business

elite in Jamaica as well as sections of the upper middle class were seen by these foreign observers as enjoying an abundance of luxury living that bore no relationship to the country's economic realities and Mr. Seaga's policies seemed to be encouraging those trends.

None of these doubts and criticisms eroded Mr. Seaga's political credibility with Mr. Reagan but the expectation that he was about to create a liberated free enterprise economy where businessmen were free from punitive taxes, bureaucratic entanglements, unpredictable policies and seemingly arbitrary shifts and changes on government policies slowly evaporated.

## Hostilities

Indeed, much of the criticisms levelled at Mr. Seaga by his now silent critic Wilmot Perkins became the terms in which Mr. Seaga's management style was appraised by many of the technocrats coming out of Washington.

The transfer of the former head of the U.S. AID back to Washington was not unrelated to hostilities that had developed between the AID technocrats and Mr. Seaga and his almost paranoid fears that the PSOJ and the AID officials were ganging up against him in mounting sharp criticisms at his failure to match the expectations Washington had of him as regards his management style.

Since the bauxite crisis and the evident reality that with all the aid and big borrowing Jamaica has no chance of emerging as any show case of Third World capitalism, the commentary on Mr. Seaga's government coming out of reports and newspaper and magazine articles increasingly echo great doubts about how he has run the country although the content of his economic policies are not criticised.

## Opportunism

The commentary on Mr. Seaga emerging out of the Wall Street Journal, Forbes magazine and a number of similar publications increasing-

ly echo these criticisms of his management style and his failure to change around the administrative traditions of the country.

In most of this the problem is that false expectations were generated by ideological opportunism on both sides. Since the problems were mainly due to inept socialist management Mr. Seaga was expected by his foreign backers to solve them without much difficulty. As the big investment in his expected capitalist miracle turned out to be showing no results worth shouting about, Mr. Seaga's style of management has increasingly been given the blame by his backers.

But Mr. Seaga still has Mr. Reagan's backing for ideological reasons. His role in helping to deliver Grenada from leftists must surely have increased his credit-worthiness with the regime in Washington.

The elections in Grenada must have reinforced that stock of political credit even further with the victory of the pro-U.S. party coalition. The election in Dominica provides yet another test of how far Mr. Seaga's regional political leadership can provide a strengthening of pro-Reagan and pro-U.S. political tendencies in the region.

Assuming that Mr. Seaga is able to hang on to power over the next few years, the level of his support in Washington is going to be put to a severe test as IMF and other sources of big borrowing decline to a trickle and Mr. Seaga's ability to attract overseas aid will be based on how much Reagan thinks he is worth to him regionally and how much more he can give him in aid to help avoid the worst consequences of the mounting crisis of survival this country is heading towards.

Some Seaga fans are hoping that Reagan will reward Mr. Seaga for his role in Grenada by wiping out our national debt and here the recent comments of Mr. Kissinger are offering them hope that a miracle might yet happen.

JAMAICA

SEAGA NOTES LIMITATIONS ON ANY TAX REDUCTIONS

Kingston THE DAILY GLEANER in English 15 Jun 85 p 1

[Text]

**A**NY REDUCTION IN THE LEVEL of personal income tax will have to be limited to between \$40 million and \$60 million a year.

The present level of the country's revenue cannot afford a reduction of between \$300 million and \$400 million a year as one of the models in the report on Comprehensive Tax Reform proposes.

These points were emphasised by the Prime Minister and Minister of Finance and Planning, the Rt. Hon. Edward Seaga, as he addressed the inaugural meeting of the Tax Reform Committee at Jamaica House today.

The members of the Committee are Dr. Aston Preston, Vice-Chancellor of the University of the West Indies, Chairman; Mr. Ken Lewis and Mrs. Betty Ann Kerr of the Institute of Chartered Accountants, Mr. Roy Collister and Mr. Joseph M. Matalon of the Private Sector Organisation of Jamaica; Mr. Don Banks of the Jamaica Bankers Association; Miss M.E. Taylor of the Jamaica Tax and Ratepayers' Association; Mr. George Fyffe of the Bustamante Industrial Trade Union and Mr. Alerth Bedasse of the National Workers Union, the two major trade unions, representing trade union interests.

The Committee will examine the Tax Reform Report and prepare a report to Government with recommendations for implementing the comprehensive tax reform programme. The Committee will receive, consider and report upon recommendations made by other interested persons and organisations.

Mr. Seaga cautioned the Committee against using the exercise to make

recommendations for sharp reductions in personal income tax to be compensated by severe increases of other forms of taxation which could not be borne by the individuals.

He explained that it would become obvious to the Committee that, to make a meaningful impact upon the reduction of personal taxation, the programme has to spread over three to five years depending on the levels.

The level of shift or reduction have to be within the \$40 million to \$60 million band which he has proposed, so that the objective can be achieved but on an "affordable basis".

The Prime Minister said that the Committee will consider four specific areas: personal and corporate taxation, property tax and indirect tax.

"The hope is that we will be in a position to lower the tax rates that

apply to personal income tax and corporation tax," he said.

A principal objective of the exercise is that these reductions will have to be made good by other forms of taxation so that the exercise can be at zero revenue cost, he said.

Mr. Seaga asked the Committee to consider a shift of taxation from areas where it reduced incentives to other areas where it can be better borne.

He proposed that the Committee also look into the matter of personal tax credits and other deductions and consider simplifying the form of income tax assessment.

One of the objectives of the exercise is to simplify the tax returns to enhance tax collections and make it more understandable to individuals, Mr. Seaga said.

Turning property tax, the Prime Minister said that it will be recalled that following the change of government in October, 1980, there was a sudden escalation in the value of property.

Those values, when applied to the existing tax base would mean a substantial increase in property tax levels, he said.

The Government has not completed the exercise of revaluing land so as to get — in the wake of what happened in 1980 — the true values of the land today.

"We now need to look at the tax rates and determine what rates would apply to these new levels and this is one of the issues which the Committee will be examining," Mr. Seaga said.

Turning to indirect taxes, the Prime Minister said the Committee would be looking into the amalgamation of a number of indirect taxes including excise duty, retail sales tax and most consumption taxes.

The amalgamation will simplify the administration of these various areas of taxation and provide a new concept of indirect taxes.

The Committee will turn in its report by August 31 this year so as to give the Government time to consider the recommendations and carry through the necessary new legislation, administrative changes and revision of tax code. This is to enable a start to be made in so far as personal income tax is concerned by January 1986.

JAMAICA

## SUGAR SITUATION SPARKS COMMENT ON OTHER ISSUES

### Broderick Remarks

Kingston THE DAILY GLEANER in English 19 Jun 85 p 12

[Text]

Approximately 173,000 tons of sugar have been produced so far this crop, despite a late start, compared to approximately 163,000 tons at the same time last, the Minister of Agriculture, the Hon. Percival Broderick, told the House of Representatives on Wednesday.

Dr. Broderick, who was speaking in the current Budget Debate, said that although this year's crop got off to a much later start than usual, a total of 173,062 tons had been produced at an average tons cane/tons sugar ratio of 10.52, as compared to 162,866 tons at 11.97 TC/TS at the same time last year.

He said that with approximately two months of milling remaining, it was expected that the industry would achieve its production target of 210,000 tons.

"I think that we are on the right track to rehabilitate the sugar industry. We recognize the value of the industry, but it only has a value if it is restructured into an efficient and viable industry," Dr. Broderick said.

He also announced that:

- Oil consumption by the factories had improved with Bernard Lodge and Worthy Park using no oil, while Monymusk, New Yarmouth and Hampden were averaging only three gallons of oil to a ton of sugar. Frome is at 13.5 gallons to the ton, Long Pond at 11.5 gallons to the ton, Appleton at 21 gallons and Duckenfield at 18 gallons.

- The restructuring of the management of the publicly owned factories was now well underway. Jamaica Sugar Holdings Limited, the holding company which will undertake the management of the

Frome and Monymusk factories, has been launched and is expected to assume responsibility for the entities on August 1.

- A rehabilitation plan covering both factory and field operations which is designed to bring the factories up to desired levels of efficiency has been prepared and should provide the basis for financial support from the World Bank.

- The Government as part of the restructuring exercise has decided to address the massive body of debts which have been built up in the public sector of the industry and it is hoped that that action will pave the way for the return of the entities to a viable path.

- Proposals have been advanced for improving the quality of the canes delivered to the factories for milling. Pricing mechanisms are being developed to ensure that the producers maximise their earnings from their operations.

- He said that the country had a market of indefinite duration of 125,000 tons (raw value) of sugar within the EEC. In addition, there was a domestic market for approximately 100,000 long tons of sugar. Although a small market presently existed for approximately 25,000 tons in the United States at a satisfactory price, it was well known that there is no permanence in this arrangement.

Unless long-term arrangements could be developed for sales to the U.S. it was clear that sugar production target for medium term planning should be fixed at approximately 225,000 long tons: "This is all we know we can sell and that is all that the market situation indicates as our proper target."

The private sector had a capacity for 80,000 tons and that left 145,000 tons for the public



sector factories, which if all the existing factories operated at improved levels, as they must, would leave an excess capacity in the public sector.

Mr. Broderick said: "Last year the National Sugar Company had announced the pending closure of three factories — Long Pond, Gray's Inn and Duckenfield. It will be recalled that every effort was made to save all three, in some cases for purely socio-economic reasons which had nothing to do with the economics of sugar.

"The turn-around at Long Pond has been most gratifying and they could well achieve their target of 16,000 tons of sugar this year, if the weather holds. As is well-known, no formula could be found for Gray's Inn and they ceased operations last year. Earlier this week, the Government approved diversification plans for the area and implementation will start shortly.

"The programme may appear to have been slow, but there is no instant, ad hoc, fast change approach to diversification, particularly where this involved large capital, identification of markets and feasibility studies necessary to approach lending agencies: all this takes time.

"In respect of Duckenfield, they have yet to report to me, but the preliminary figures indicate that they will incur a loss of some \$4.7 million in operations this year.

"The arrangements with the new management company was that there could be no continued budgetary support. While the industry had underwritten financial support of some \$2.5 million, it is questionable whether the industry can continue this support and we must now await the results of the current crop.

Turning to the question of why Bernard Lodge was chosen for diversification, Mr. Broderick said that based on a World Bank study as well as studies by other organizations, the World Bank indicated that it was not prepared to provide funding for Bernard Lodge because of the heavy capital requirements to rehabilitate the factory and the field operations.

"This decision was taken more so against the background of the prevailing prices to the industry

and their projections that there would be no better prices because of the outlook on the world sugar production and trading. Prices abroad do prejudice the industry's position in respect of attracting high levels of capital investment.

"A similar situation existed in the fields where, because of 15 years of neglect of the Rio Cobre Irrigation System and the underground water resources, the funding required for rehabilitation was so massive that no financial institution was prepared to lend the funds because the low returns from sugar per acre could not service the loan."

He said that the Government had reacted in a timely manner and, in the light of new opportunities which were unfolding the southern plains were the best areas for diversification.

Proximity to the shipping port, water resources and the high unemployment levels of the area were all very persuasive points in favour of the diversification programme in the area.

Since the unsuccessful attempt in Geneva to negotiate a new sugar agreement, the matter had been further compounded by the growth in the usage of alternative sweeteners, one of the most important export markets for sugar. The United States, for example, had witnessed a considerable contraction in the demand for sugar both as a result of the expanded use of sweeteners and restrictions on the volume of sugar which may enter the market.

Earlier projections of consumption levels in 1985 surpassing production and thus leading to a fall in the level of stocks overhanging the market have not materialised.

In addition, the growth in consumption which might have been expected to flow from the existing low market prices has not materialised, as very few final consumers are paying a price based upon world market prices. At best, the overall consumption of sugar is expected to do no more than keep pace with production and the prospects for any substantial improvement in the market place were remote.

In such a situation, small exporters like Jamaica had to review their position to determine whether a satisfactory basis existed for continuing in sugar.

### Growers' Review

Kingston THE DAILY GLEANER in English 20 Jun 85 p 16

[Text]

Despite the lack of any official recognition as a major exporter in this, National Export Week, the sugar industry had exported product to the value of \$60 million during the past year, declared the Chairman of the All-Island Jamaica Cane Farmers' Association, Mr. T. George Mignott, at the Oceana Hotel yesterday.

Speaking at a luncheon to honour the sugar industry for its "consistent leadership role in the field of agricultural exports," Mr. Mignott said that "although dying, shabbily treated, almost complete-



ly ignored and several times given a 'last chance', the industry had contributed last year nearly three times the value of the entire non-traditional agricultural export sector, inclusive of spices and floriculture. That sector had exported just under US\$22 million.

He said that while awards were being presented to a number of persons and organisations during this National Export Week for their achievement in exports and "for the vital work of earning foreign exchange," no mention or recognition had been given to the sugar industry. "Yet, lest we forget, only tourism and bauxite earn more foreign exchange for this desperate country of ours, than the sugar industry."

Sugar, he said, was an industry that had been discouraged and threatened; "and despite all the discouragement and the threats, we have exported nearly three times as much as the non-traditional exports," he said and went on to ask: "Can you imagine that if even a quarter of what was given to other industries had been given to this industry, what our contribution would have been?"

"We live in the age of JNIP gymnastics, and the hottest fashion is the flashy 'winter vegetables' worn by slinky Israeli models. All we have to offer is the third largest source of foreign exchange that is not subject to the whims of the North American winter, and the largest single employer of Jamaican workers."

Mr. Mignott predicted that if present decisions remain unchanged, "the industry will be kept at a level where it cannot respond to any new market demands or even service present requirements

properly. How unlike the efforts for tourism and bauxite!" he said.

Contrary to the present trend, he said, "these could have been exciting times for us in the sugar industry" had there been a positive announcement of a comprehensive plan for streamlining and updating the industry." Mr. Mignott criticized the plan for crop diversification on land already taken out of cane. The entire effort would have been placed in its correct perspective "instead of stabbing Bernard Lodge in the middle of their crop."

He concluded, "...Never has an industry that does so much for a country, been loved so little by officialdom. Our message to ourselves today is therefore, that if we stand together and fight in a constructive manner, we shall outlast the whims of the misguided few." The industry had much to be proud of, and its export value was one such object of pride.

He then invited the Chairman of the Sugar Industry Authority, Mr. Frank Downie, to receive an award in recognition of the sugar industry's consistent leadership in the field of agricultural export.

Presentation of the award on behalf of the sugar industry was made by Miss Doreen McCalla, Manager of the AIJCFA.

Mr. Downie accepted the award "on behalf of the 24,000 cane farmers in ten parishes, the technicians who convert cane into sugar and the workers and all who have made some contribution to the industry, despite, sometimes, lack of encouragement."

JAMAICA

SHEARER CITES PRC, OTHER FAR EAST TRADE PROSPECTS

Kingston THE DAILY GLEANER in English 18 Jun 85 p 3

[Text]

The People's Republic of China is seriously considering barter counter-trade with Jamaica, according to Deputy Prime Minister the Rt. Hon. Hugh Shearer.

Speaking last week at a JNIP-sponsored luncheon in his honour at the McGraw Hill Building in New York to a group of over 100 executives of Far East owned companies based in the USA, Mr Shearer said that China has agreed to send a trade mission to Jamaica by the end of this year to explore areas of mutual trade.

He said some of the items China is considering for barter include rice and cotton in exchange for Jamaica's bauxite or alumina.

Mr. Shearer, enroute to Jamaica following an official visit to China and Hong Kong where he opened the Hong Kong office of the Jamaica National Investment Promotion Limited (JNIP) outlined advantages for Far Eastern companies under the Caribbean Basin Initiative.

The Deputy Prime Minister's meeting with the Far Eastern executives who are responsible for their companies' development strategies in the Americas, follows on discussions he had in Hong Kong and China on matters affecting trade, investment

and other forms of development co-operation.

The luncheon was designed to outline the many benefits that may accrue to Far East companies who access the US markets through the special trade provisions of the CBI.

He told the luncheon that companies from the Far East which manufacture goods in Jamaica for export to the USA markets under the CBI, realise significant import savings of 20 to 40% on items such as glass kitchenware, chinaware, tableware, ceramic tiles and toys.

Mr. Shearer told the luncheon that he had been greatly impressed by the level of economic activity in Hong Kong and by the great strides being made by China to achieve economic and technological development. He said that the example of these economies has been and continues to be a source of inspiration for Jamaica and other developing countries.

In Jamaica, Mr. Shearer said, these lessons are being absorbed since more and more "we have recognised and accepted the need to structurally adjust our productive resources to upgrade our skills and technology bases to enter extra-regional markets."

Expanding on Jamaica's many ad-

vantages to the investor including proximity to the US market and "a firm commitment to private enterprise supported by attractive fiscal and other incentives", Mr. Shearer told the luncheon about advances in various sectors of the Jamaican economy including agriculture, manufacturing, tourism and film making. He noted that employment in the Kingston Free Zone alone climbed from under 300 in 1981 to over 4,000 at present and that that facility is still being expanded.

In realising the planned transformation of the Jamaican economy Mr. Shearer said, flexible and creative solutions will have to be found.

He said that there are lessons to be learned from the experience of Far Eastern trading companies who over the years have creatively sought to aggressively match the needs of the market place with production possibilities worldwide.

Jamaica's main message, Mr. Shearer said, is that "Far Eastern companies can act now to take advantage of the immediate benefits that Jamaica offers to Far East enterprises, to enhance market penetration into the major markets of North America and the EEC either by investing in manufacturing operations in Jamaica or by sourcing products from Jamaica.

**JAMAICA**

**BRIEFS**

**BANK LOSSES**—The Bank of Jamaica (BOJ) incurred a loss of \$679.0 million for the year ended December 31, 1984 compared with a loss of \$39.3 million in 1983. This reflects primarily an exceptional loss arising mainly from the devaluation of the Jamaican dollar of \$457.6 million compared with an exchange profit of \$26.6 million in 1983. In addition there was a net loss on overall operations of \$221.4 million compared with a loss of \$65.9 million in 1983. Subsequent to December 31, 1984 based on prevailing exchange rates at March 29, 1985 further net exchange losses amounting to approximately \$300.0 million would arise in respect of the BOJ's liabilities denominated in foreign currencies at December 31, 1984. In addition, at December 31, 1984 the BOJ had deferred exchange rate losses on its books amounting to \$2,696.7 million an increase of \$951.6 million over 1983. These losses are being amortised over the repayment period of the relevant liabilities. They result from translation of foreign liabilities into Jamaican dollars. All other gains and losses arising from fluctuations in exchange rates are dealt with in the profit and loss account. In accordance with the provisions of section 9(3) of the Bank of Jamaica Act net losses are payable to the BOJ from the Consolidated Fund of the Government of Jamaica. Over the past few years the procedure have been to clear these amounts by the issuing of a Government security.  
[Text] [Kingston THE DAILY GLEANER in English 14 Jun 85 p 1]

CSO: 3298/834

MEXICO

DE LA MADRID REJECTS MULTILATERAL DEBT NEGOTIATIONS

PM211053 Paris LE MONDE in French 20 Jun 85 pp 1, 10

[Interview with Mexican President Miguel de la Madrid by Marcel Niedergang--  
date and place not given]

[Text] Mexican President Miguel de la Madrid is expected in Paris on the morning of Thursday 20 June for a 3-day official visit. Before leaving Mexico for his European tour, which has already taken him to Madrid, London, Brussels, and Bonn, the Mexican president granted an interview to LE MONDE in which he discussed U.S. policy in Central America in particular.

[De la Madrid] The United States has its gaze focused on Central America, and is giving the impression of disregarding what is happening in the rest of the continent, in South America where the situation has deteriorated dramatically. In my view this is a mistake. The situation in Central America is very serious and worrying. Peace is threatened. Armed conflicts might spread at any time.

This worries us. But the underlying causes of instability in Central America are economic and social, as in the rest of the hemisphere. I have just returned from there. I can bear witness to the fact that everywhere, or virtually everywhere, there is recession, stagnation, poverty, incredibly high inflation rates, risks of social explosion, and a foreign debt which jeopardizes all plans for development and even recovery.

[Niedergang] The idea of more thorough and especially more effective consultation among the debt-ridden countries of Latin America is gaining ground. What do you think of it?

[De la Madrid] We are in favor of consultation, and we have attended all conferences on the debts. We were even the main initiators of the so-called Cartagena agreement. However, we still think that multilateral negotiations on the foreign debt are not viable. The world is not ready for this kind of negotiation. And, what is more, the economic conditions and debt structures in Latin America vary from one country to another.

Consequently, Mexico does not claim that its own solutions are applicable to others. This does not rule out honest and constant dialogue among the parties concerned. Not only with the representatives of private banks but also with governments. The unprecedented economic crisis in Latin America may have incalculable political consequences. We must act now.

[Niedergang] But you nonetheless give the impression of going it alone in this extremely serious situation.

[De la Madrid] Not at all. We are in constant contact with the other Latin American nations. We are taking part in collective initiatives, like the letter sent recently to the seven most highly industrialized countries. We show full solidarity.

[Niedergang] But, in any case, you are regarded as the "star pupil" of the class by the IMF.

[De la Madrid] Probably, but the austerity policy which we have implemented was implemented on our own initiative. Not under external pressure of any kind. And Mexico is not a country which claims that other countries are entirely responsible for our problems. We know that we must accept our own responsibilities. The much decried IMF is a useful mechanism.

"The Volcano Is Still There...."

[Niedergang] You have succeeded in renegotiating your overseas aid in very satisfactory conditions. But it seems that 1985 is bringing a very marked aggravation of the crisis in your country.

[De la Madrid] It is true that the crisis is not over. But, generally speaking, our policy has been a success. We had a 100-percent inflation rate at the end of 1982. It was 60 percent at the end of 1984. The year 1982 was a year of economic stagnation, and in 1983 we had negative growth. In 1984, on the other hand, the growth rate was 3.5 percent. I fear a catastrophe, with a whole series of enterprises closing, and large-scale redundancies. We succeeded in stabilizing unemployment. Since 1983 we have regained our import capacity. We are now exporting not just oil but also manufactured goods. The important thing is that for the past 2 years we have met interest payments on our debt thanks to a positive trade balance. We have also regained control over foreign exchange policy which completely escaped our control in 1982.

But I admit that we are not over the crisis and that there may be relapses. In any case we are determined to maintain the austerity policy, and follow the same course. It is the only possible one. It has proved its worth.

[Niedergang] Is the social cost of austerity too high?

[De la Madrid] It is the cost of the crisis, not of the policy implemented to combat that crisis. If we had not been energetic and realistic the cost would have been even higher. But it is true that the effects on the



Mexicans' average standard of living have been completely negative. It is said that the people have limited patience. Our people are showing maturity and realism. This is a great comfort to me.

[Niedergang] You said not so long ago that living in Mexico was like living on a volcano.

[De la Madrid] It is still true, but it seems to me that there is less lava and less smoke and gas. The volcano is still there....

[Niedergang] Do you rule out the hypothesis of a direct U.S. military intervention in Central America?

[De la Madrid] No, I do not rule it out. The risk exists. But I know the Americans well. I also think that the Washington government will make every effort to avoid a direct intervention. I think that negotiation on the Central American conflicts is still possible.

[Niedergang] So you think that Washington's regular warnings issued to the Sandinistas are just words?

[De la Madrid] Not at all. They are not just empty threats. Relations between the United States and Nicaragua are very difficult and very tense, and we have the latest examples of the American determination: The official support which has now been given to the armed anti-Sandinista organizations and the trade embargo. The situation is constantly deteriorating; it is dangerous. I repeat our conviction that the tensions in Central America should not be placed in the context of the East-West conflict.

[Niedergang] You nonetheless gave approval to Reagan's peace plan for Central America, and you were criticized for that....

[De la Madrid] That is not exactly true. What I said was that Mexico is in favor of any plan which can be implemented through dialogue and negotiation, but we also said that we could not give a verdict on internal problems (negotiations between the Sandinistas and Contras recommended by the Reagan plan) because it is against our principle of nonintervention. It is the Managua government which must take a sovereign decision without international pressure on whether or not to open dialogue with the different social or political forces in Nicaragua itself, and, more especially, with representatives of the armed insurgent movements.

[Niedergang] But are you disappointed by the Sandinistas' clearer alignment with the Eastern bloc countries?

[De la Madrid] I am tempted above all to see their move as a desperate reaction in face of the economic and military pressures to which they are increasingly being subjected. I note that the Managua government has reiterated that it wishes to be a nonaligned country. I will not go so far as to say now what an aligned country is. The Sandinistas explain that they are resorting to aid from other countries because their natural sources of

supply are being cut off. Managua recently reiterated its desire to build a pluralist democracy, respecting freedom and with a mixed economy. I personally welcome this, because I think it is the only way in which Nicaragua can reduce tension with the United States and its neighbors.

"Contadora Is Still Useful"

[Niedergang] Do you still believe in Contadora?

[De la Madrid] There are probably times when you say to yourself that there are objective reasons for pessimism, but as long as there is a chance of mediation, Contadora is still useful. However, it is true that we are disappointed since we were the main initiators of this group. We will only be satisfied when we have obtained a political solution through diplomatic negotiations.

[Niedergang] France has just appointed an ambassador to San Salvador. Are you contemplating doing likewise?

[De la Madrid] Certainly, and it is probably a sign that France and Mexico have a fairly similar assessment of the way in which the situation in Central America has been developing since 1981. At that time the two countries signed a joint communique recommending the recognition of the political representative nature of the revolutionary movements rebelling against the Salvadoran Government. The aim then was to stress the need for internal political dialogue among the warring sides.

That communique was interpreted in some countries as interference. In fact I think it was sincere. The fact is that Mr Duarte's government has now started a process of dialogue with the insurgents. We appreciate this effort. But I would like to stress once again that Mexico has always followed a strict policy of nonintervention. Mexico has never supported and will never support armed insurrection movements in Central America.

[Niedergang] One of the main themes of your election campaign related to the "moralization of public life." In short it related to the struggle against corruption. What is the position after 3 years in government?

[De la Madrid] I prefer to talk of moral renewal, because it is positive. We wanted to set an example and we have done so. We have created control and prevention bodies and laid down much heavier penalties. I can tell you that nobody can now say that any of my ministers is implicated in any kind of trafficking or involved in business deals. We have also purged the police.

We now ask all civil servants to declare their resources and changes in their financial situation next year. We have made progress but I admit that there is still immorality and cases of corruption in some sections of the state apparatus, especially the police, or the customs department, for instance. We are about to announce a complete reorganization of this latter section.

[Niedergang] The United States accuses you of laxity in fighting drug trafficking.

[De la Madrid] That is true; but those accusations are unfounded. First, Mexico is fighting this traffic much more energetically than the United States in view of the disproportion of our resources. Second, it is an international criminal phenomenon, and the main consumer market for drugs is the United States. We are worried because drugs are being produced in our country and exported. But the demand in the United States is increasingly high.

If we were not very careful we would be in danger of experiencing the desperate and even uncontrollable situations which we now see in some Latin American or Asian countries. We want to avoid this loss of control at all costs. We support the UN secretary general on an international conference to fight drug trafficking.

#### Reviving Cooperation With Europe

[Niedergang] What do you expect from this visit to Europe?

[De la Madrid] First the revival of our cooperation with the EEC. We regard it as the most important region in the world after the United States. We want to expand our trade, attract European and particularly French investors. The main aim of my visit is to show Mexico's political will to seek new forms of cooperation with Europe in all spheres.

[Niedergang] Is this a way of counterbalancing U.S. influence?

[De la Madrid] One of the essential principles of our foreign policy is the diversification of relations. We have always sought an autonomous, independent, balanced, and diversified foreign policy. Relations between Mexico and France are at a good level, but I am convinced that the possibilities for extending them in all spheres have not been exploited.

It seems to me that the French Government is well disposed toward us, and we are on the same wavelength in international policy. The plans for new French investments in Mexico are well advanced. But my role is first to create a good atmosphere and a climate of agreement at the highest level. The rest will follow....

CSO: 3219/9

MEXICO

# MULTIPLE REASONS FOR VERACRUZ CATTLEMAN'S MURDER CITED

Mexico City POR ESTO! in Spanish 12 Jun 85 pp 5-8

[Article by Miguel Angel Gutierrez]

[Text] Xalapa, Veracruz, May 1985--A few days ago, the drug traffic and the conflicts between politicians and police, two vise-like phenomena that have marked this state with violence and terror during recent years, combined to brutally execute Felipe Lagunes Castillo, who was very deeply implicated in both areas, but who was sentenced to death just when he was in a position beyond all control.

There is every indication that the order to finally silence the one who, until recently, had been the all-powerful political boss came from the upper echelons of the drug traffic; although this decision was implemented at a particular juncture benefiting political interests cleverly manipulated from Mexico City, with strong ramifications in Veracruz.

Let us observe why:

1. Lagunes Castillo controlled what is known as "the marijuana route" and that of other drugs produced and brought into the central and southern parts of Veracruz (a state bordering Oaxaca and Chiapas, also drug-producing states, and Tamaulipas, the passageway before taking drugs into the United States); and he exercised this control by gearing himself to the groundrules set by agreement with the large organized crime families in the United States. His elimination from the drug traffic was decided upon when he broke the pact and started operating on the basis of his own personal interests.

2. The money from drugs provided Lagunes Castillo with the means for wielding considerable influence, not only over all the police (state, municipal and federal) operating in Veracruz, but also over various social sectors, such as the cattle raisers and the university itself. By this means, and in this way, the political boss became a formidable, feared counterbalance in Veracruz politics, and not exactly on behalf of the forces and groups currently governing the state, but rather on the side of the central authorities, who do not approve of the administration of Agustin Acosta Lagunes, appointed by the then President Jose Lopez Portillo. And it is difficult to conceal this contradiction because, a year ago, in an effort to neutralize Lagunes Castillo's influence, the governor of Veracruz submitted to the Office of the Attorney



General of the Republic documentary evidence of a fraud involving 500 million pesos, committed by the political boss to the detriment of the COMERMEX [Mexican Commercial] Bank. However, Dr Sergio Garcia Ramirez prevented the investigations from being conducted on that occasion because, by his conduct, LagunesCastillo was catering to certain interests of the federal government, opposed to those of Acosta Lagunes. Then came the murder of agent Camarena Salazar, an occasion that the organized crime Mafia chose to uncover the part of the sewer that it found convenient, and for which it used the DEA, CIA and FBI, and Ambassador John Gavin, among others. Then, and only then, did the Office of the Attorney General of the Republic open the investigations against Felipe Lagunes Castillo.

#### Sentence: Final Silence

Lagunes Castillo, who gained sympathy among the cattle raisers because of a unilateral campaign that he carried out against cattle rustling, cooperated with confidence men who served as bodyguards for Agustin Acosta Lagunes while he conducted his election campaign, but later remained aloof from the governing group; and, a few months ago, stated his differences with high-level Veracruz political officials and police chiefs.

The narco-cattleman, aware of the political force that he was wielding because of his influence among the cattle-raising sector (one of the wealthiest in the state), took sides in other conflicts, such as the one at the Law School, which has halted some university activities; something which caused him to be less approved of than he already was by the regional political groups.

With the drug traffic scandal in Mexico, erupting in "bedlam," with federal legislative elections, on the eve of which he had sufficient power to change them in his favor, and with the political excitement that will culminate at the end of this year or the beginning of next with the selection of the official candidate for governor, Lagunes Castillo was a "political factor" difficult to "control."

The solution, dictated by the interests affected by the regional political boss, was final silence. The strategy for concealing the true motives for the crime consisted of having the latter included in the blood-bath that has enveloped Veracruz.

#### The Regional 'Caro Quintero'

Nevertheless, his close ties with former gunmen (the starting point which had catapulted him to the position of chief political boss upon the death of his father-in-law, Antonino Lagunes) such as the former brother-in-law of "El Negro" Arturo Izquierdo Hebrard, caused him to appear in the eyes of the residents of Veracruz as one of the leaders of the "marijuana route" in Veracruz and as the "Caro Quintero" of the region.

The circumstances under which Lagunes Castillo was kidnapped, the overt participation of the Directorate of Public Security of Veracruz in his death, a



"confidential" report stating that it was police authorities who removed the narco-cattleman from El Cocal and the manner in which the state government has been concealing the facts (on the one hand, it denies any police participation in the incidents and, on the other, it admits that he was arrested to respond to the charge submitted against him by a bank) prove the extent to which the corruption has become entrenched.

#### Differences

Lagunes Castillo himself, in the only interview that he granted during the past few months to a news medium (a newspaper in the Mexican capital), cites his differences with high-level authorities of the Veracruz government and the state police chief until last year, Enrique Escobar; but he admits that, at first, he had cooperated in the campaign of the then candidate for governor, Agustin Acosta Lagunes. (He did not say that he did so at the advice of his first "political godfather," Rafael Hernandez Ochoa, in whose government the political boss started amassing his great fortune and indisputable influence).

The alibi of the brains behind the kidnapping and murder of Lagunes Castillo is amazing; for the investigations pointed toward several directions: his natural and family enemies, or friends of the individuals who ordered him killed; his political enemies, ranging from the secretary of government to the police chief of the Veracruz region, Hiram Morales; his ties with the drug traffic, and the regional political bosses who were already viewing him as a dangerous enemy.

#### From Gunman to Multimillionaire

With so many hypotheses available for learning who killed him, it will be very difficult to find the political or felonious perpetrators of the crime involving Lagunes Castillo, the unschooled former gunman who, in less than a decade, changed from a cattleman, in financial difficulties (with mortgages imminent) to entering his name on the select list of multimillionaires in Veracruz.

Lagunes Castillo's death leaves many questions about one of the chapters concerning the "marijuana route" and that of other hard drugs in Mexico and about the motive for many crimes, some ordered by him per se and others decided on by other political bosses and political and paramilitary groups in the region, unanswered.

Hence, it is improper to include his kidnapping and murder, along with those of four of his loyal followers, in the criminal orgy that has established the "law of the jungle" in Veracruz, where everyone administers justice by his own hand.

There is certainty regarding who Lagunes Castillo's murderers were: Hiram Morales, "public security" agent in the port of Veracruz (the municipality to which the El Cocal ranch, owned by the victim, belongs), and Roberto Acosta,

his right-hand man, who headed police agents and gunmen and removed the influential narco-cattleman from the bed in his room at dawn last Sunday, 12 May.

#### Forced Silence

Morales and Acosta, as aides carrying out the death sentence, are insignificant. What needs to be learned is the person or persons at whose orders they were acting.

The first indication that the true motives for the murder will never be learned is that Morales was already "punished" with dismissal, 2 days after the corpses of Lagunes Castillo and his loyal followers, Jose Luis Abad Quevedo and Angel Jacome Trujillo, were discovered, on 14 May, and nothing further is known about Acosta.

But although one or both of them were recaptured, it is taken for granted that they will not talk; because if they served as means to fulfill political ambitions or to follow "orders from above" of drug trafficking chiefs, they will not commit the suicide of disclosing the purposes of the murder.

Owing to the dreadful torture to which Lagunes Castillo, who boasted of his relations with high-ranking Mexican politicians, was subjected, it is assumed that the murderers attempted to force from him information on certain matters, which could be used in the future to make the search for the material perpetrators of the crime even more difficult.

#### More Obscure

Lagunes Castillo himself may become an obstacle to the investigation of his own death, because of the little that was known about his activities. In carrying them out he was always behind a protective armor of bodyguards provided with high-powered weapons, whom no one dared to challenge.

The investigation may become even more obscure as a result of a "confidential" report stating that it was police officials who removed Lagunes Castillo from El Cocal (which affords the possibility that the narco-cattleman was murdered in the lockup of the Veracruz State Prosecutor's Office and his corpse thrown along the roadside to put the investigators off the track), and the contradictory manner in which the Veracruz government is handling the matter, denying any police participation in the incident.

#### Unsolvable Puzzle

All this makes up an unsolvable puzzle, with disconnected pieces, such as the following:

In the first place, the invasion by the kidnappers and murderers into El Cocal is explained by the connections that existed between Roberto Acosta and the victim. Acosta was the trusted aide of the narco-cattleman, having previously served as right-hand man of Hiram Morales, agent of the State

Directorate of Public Security in the central zone. This means that Lagunes Castillo was caught in the very web of corruption that he had formed between the local and federal police commanders.

#### Kidnappers Known

Secondly, the fact that some of Lagunes Castillo's kidnappers concealed their identities behind ski masks reinforces the notion that it was individuals well known to the narco-cattleman who caught him, and took him to the site where he was tortured and killed.

If the narco-cattleman's wife, Minerva Lagunes, was not abducted too, perhaps it was due to the kidnapper's original intention of turning Lagunes Castillo over to the police authorities; but, when it was realized that he might disclose the corruption of high-ranking local and federal police chiefs (including Hiram Morales and Acosta himself, among others), it was opted to liquidate the regional political boss.

Thirdly, what role did the Veracruz prosecutor, Pericles Namorada Urrutia, play in this murder?

The report of Lagunes Castillo's kidnapping, which took place between 0500 and 0600 hours on Sunday morning, 12 May, was not made until that night, 14 hours later, when it was announced that Minerva had notified the authorities of the incident.

The most recent reports indicate that the woman was informed (it is believed by Namorado Urrutia) that her husband had been taken into custody in connection with a fraud involving 500 million pesos, to the detriment of the COMERMEX Bank.

Namorado Urrutia himself declared on Monday, 13 May, when Lagunes Castillo was still alive (the autopsy disclosed that his death had occurred at dawn on Tuesday, 14 May) that Governor Acosta Lagunes had, the day before, ordered "the immediate investigation of the incident," although there had not been any formal report (?) concerning it. (A contradiction, because what about the reports made by Minerva the previous day?)

#### Namorado Contradicts Himself

Namorado Urrutia also claims that it is untrue that "personnel from the Public Directorate or the municipal police took part" in the kidnapping, "but if the investigation shows that any members of those forces are involved, the full brunt of the law will be imposed on them."

More contradictions from Namorado, because if Minerva claimed to have seen police vehicles and members of the force, how could the prosecutor maintain that agents had not participated? How could he issue a denial if, as he stated, the investigation had not been completed?

The Veracruz prosecutor, who gives the impression that he is concealing valuable information that could disclose the real motives for the crime, insists, when talking with the capital press, succumbing to further contradictions, that, "Since I learned about the incident, 80 members of the Judicial Police have been ordered to investigate...."

The residents of Veracruz are wondering where the Judicial Police carried out that "operation." In the La Parroquia coffee shop in the port of Veracruz? Because the kidnappers and the kidnap victims had to travel by highway, and were never discovered.

Between the time that, according to Namorado, Minerva Lagunes' report was submitted and the time of the narco-cattleman's death, about 28 hours elapsed, and yet the Judicial Police could not find the pickup trucks of the kidnappers, who killed Lagunes Castillo and his loyal followers in some location and threw their corpses on a visible site in the municipality of Angel R. Cabada, so that they could be found, as occurred at dawn on Tuesday, 14 May.

#### Late Explanation

On Wednesday, 15 May, Hiram Morales Morales was dismissed as agent of the State Directorate of Public Security in the central zone and "concentrated" (held?) at the order of Governor Acosta Lagunes, in the town of Xalapa.

On Thursday, 16 May, 4 days after Minerva identified Roberto Acosta as one of her husband's abductors, also identifying Abelardo Ortiz Gonzalez and second commander Carlos Lopez, Namorado said that Acosta "does not belong to the Public Security Directorate nor to any Veracruz police force."

Fourthly, what share of responsibility does the Office of the Attorney General of the Republic bear in the crime involving the narco-cattleman?

Francisco Fonseca Notario, official spokesman for the Office of the Attorney General of the Republic, informed the news agency LEMUS, on Monday, 13 May, that Felipe Lagunes Castillo had been arrested as an individual presumed guilty of fraud and that, on that same day, he would be moved to Mexico City. This report appeared in DIARIO DE XALAPA of Tuesday, 14 May, on page 8.

From these statements by Fonseca, one presumes that prosecutor Garcia Ramirez had now decided, a year late, to take action against Lagunes Castillo in the case of the fraud involving 500 million pesos committed against COMERMEX; a matter that he had not touched upon, to neutralize Lagunes Castillo, out of "political expediency."

#### Garcia Ramirez 'Belies'

On the same Tuesday, 14 May, prosecutor Garcia Ramirez thereby belied his official spokesman, Fonseca Notario, at the press conference in which he discussed the drug traffic, as follows: "In the most informal, unofficial manner, I learned about the alleged detention of an individual (Lagunes



Castillo), and because it was being claimed that the Office of the Attorney General of the Republic or, concretely, the Federal Judicial Police, had had some intervention of which I was unaware, I took the liberty of asking our police. It was denied to me. There was none (intervention).

"Then I took the liberty of requesting information from the governor of Veracruz (declared Garcia Ramirez at the press conference on 14 May), who told me that the Veracruz police had not made the arrest (of Lagunes Castillo). According to the report from the governor, the Veracruz police did not make that capture, nor did the Office of the Attorney General of the Republic, either."

This further contradiction, between Garcia Ramirez and his spokesman, adds another hypothesis to the death of Lagunes Castillo: That the Federal Judicial Police, with the participation of Veracruz police agents, committed the crime so as not to be given away by the narco-cattleman.

#### Death Blow by Blow

Fifthly, why was Lagunes Castillo given such a cruel death, with so much fury that the torture itself caused his death?

The same forensic physician who did the autopsy said: "I have seen many instances of corpses which show signs of torture, but very few like this."

The 42-year old political boss showed injuries all over his body, with six broken ribs, buttocks with second-degree burns, a nasal hemorrhage from heavy blows sustained on the face, bruises on the cheeks and chin, scrapes on the shoulders and left elbow and abrasions on his back, because he had been dragged a long distance.

This slow death of Lagunes Castillo, blow by blow, is attributed to the fact that the murderers wanted to obtain all possible information from him. Lagunes Castillo knew too much about the drug traffic on the "marijuana route," which runs parallel to the coast of the Gulf of Mexico. He knew all the details about the corruption of local and federal police, and more about political and paramilitary groups, and regional political boss systems.

Did Lagunes Castillo "talk"? And if he disclosed information, to what extent did he do so?

It is believed that we shall soon find out, with further murders, or else with a calmness in the underworld and among the Vera Cruz political bosses, whether Lagunes Castillo "talked."

#### The Beneficiaries

Sixthly, who stands to benefit from the death of Lagunes Castillo?

a. The local, state and federal police, because the murder victim took to the grave the names of the chiefs and officials of "security" agencies which he



had bribed or which were in the service of other criminal and paramilitary groups in the region.

Veracruz, the state with the most entrenched political boss-based structures, is a region in which the individuals who hold the power make use of the police and paramilitary forces to enforce their law. Lagunes Castillo himself had this very type of backing available, although the "aides" and "collaborators" were eventually his murderers.

b. The drug traffickers: Often pointed out as the leading drug trafficker operating in Veracruz, as the regional "Caro Quintero," and for his connections with drug traffickers such as Arturo Izquierdo Hebrard, Felipe Lagunes Castillo was already a "visible head" of the clandestine business that had to be eliminated. The Veracruz press revealed that "El Indio" Lagunes was one of the "aides" of the Honduran, Jose Ramon Matta Ballesteros, who was arrested a few weeks ago in Colombia.

It is claimed in Veracruz that keeping Lagunes Castillo alive would have meant starting the chapter of another scandal involving police corruption linked with the drug traffic, as happened in the case of Caro Quintero, in the other "tie" of the "marijuana route," the one shared by Chiapas, Oaxaca, Veracruz and Tamaulipas.

#### His Political Role

c. The political groups: Lagunes Castillo did not finish elementary school, but he was a clever man who acted on the basis of intuition. When he acquired economic power, Lagunes Castillo was already involved in political affairs in the center of Veracruz where, from Rafael Hernandez Ochoa's government, he began influencing the appointments of deputies and municipal presidents.

In disagreement with the groups currently in power, Lagunes Castillo was forming a new "political clan," which by its very nature would come into conflict in an area as crucial to state politics as the port of Veracruz.

With federal legislative elections next July, and the designation of the PRI [Institutional Revolutionary Party] candidate for governor at the end of this year or during the early months of 1986, Lagunes Castillo was about to wield considerable influence.

One of the enclaves that Lagunes Castillo was already controlling was the University of Veracruz, where he was being mentioned as the sponsor of agitating groups at the Law School.

The agitators, paid by Lagunes Castillo, took part in disturbances last March in Xalapa, in which one person was killed.

With the 'Scent' of a Hero

The influence of "El Indio" Lagunes at the University of Veracruz was more extensive than was thought, because in press announcements published 2 days after his death, presidents of the students' associations in the Schools of Medicine, Chemical Sciences, Communications and Nutrition of the Technological Faculty and the Students Association of Boca del Rio paid tribute to "the altruistic position of Comrade Felipe Lagunes Castillo, who was a great humanist person, engaged in contributing to the collective benefit of the low-income classes, devoting most of his life to livestock production, in order to meet our people's food requirements."

Thus, with the scent of a "hero" and "benefactor of the nation," Felipe Lagunes Castillo was buried; elevated and tolerated by the political system until that very system caused his death.

2909

CSO: 3248/411

MEXICO

BRIEFS

LARGE PGR PAY INCREASES--Yesterday, the Office of the Attorney General of the Republic announced that the personnel performing priority jobs have received sizable increments in their salaries during the past 6 months: The agents of the Federal Public Ministry had 175 percent raises; the forces in the Permanent Campaign Against the Drug Traffic, 146 percent increases; and the members of the Federal Judicial Police, increases of 72 percent. The PGR noted that the salaries of the administrative personnel have been increased 51 percent during the same interval, adding that "red tape has been eliminated in hiring." The office also announced that, during the past 16 months, 780 promotions have been made, primarily among the same agents of the Federal Public Ministry and the Federal Judicial Police. [Text] [Mexico City EXCELSIOR in Spanish 10 Jun 85 p 44-A] 2909

CSO: 3248/411

NICARAGUA

PLI LEADER PEREIRA WARNS OF U.S. THREATS

PA301904 Managua Radio Sandino in Spanish 1930 GMT 29 Jun 85

[Text] Constantino Pereira, vice presidential candidate of the Independent Liberal Party [PLI] in the past elections, today told this newscast that the green light given by the U.S. Congress to President Reagan to invade Nicaragua should be viewed by Nicaraguans and especially by the political parties represented in the National Assembly as a motive for strengthening national unity. Dr Pereira said the recent events artificially created by the United States to come up with grounds for a direct military intervention of Nicaragua, must make us think seriously about making quick and efficient decisions both domestically and internationally.

[Begin recording] I say this is a regrettable situation that should cause greater internal unity among all Nicaraguans and especially among the seven political parties that participated in the elections. This has been an immoral and naive measure. It is naive because the Democrats who voted for the green light--in quotation marks--as you say, believe that by doing this they will stop the Reagan government's plans against Nicaragua and Central America.

This is a source of concern because the OAS commission, which would not come to Nicaragua, has ruled in a way that makes it appear as if the shots that killed the two famous Costa Rican Civil Guards came from Nicaragua.

Everything fits. All this is an evil maneuver against the Nicaraguan revolution. We, the internal leaders in this country, must use this moment to think carefully about unity. This is the moment for adopting specific measures to deepen the democratization of the revolutionary process and for adopting without hesitation all the measures necessary to defend the country.

The unilateral demilitarized zone proposed by the Nicaraguan Government, which I believe the people don't know much about could incite the [word indistinct] to invade us through the Revolutionary Democratic Alliance [ARDE] in the country's south, unless we call on friendly countries.

Therefore, it is necessary to take steps so countries such as Brazil, Argentina, and the Dominican Republic--where we have friends--agree to act as guardians on our southern border. This green light must be a motivation for quick and important internal mobilizations and diplomatic activities by Nicaragua. [End recording]

In this same context, Dr Pereira urged all [words indistinct] to double their efforts at this moment of imminent aggression and to immediately join the defense efforts.

[Begin recording] The PLI people who went to the polls in large numbers, in spite of those who conspired against the legitimacy of the revolutionary process, must be alert and have no false illusions. I would tell the PLI men and women who voted in favor of the flame of liberalism persisting in the country the following: Let's be on the alert. Let's join the defense process, and let's struggle civically so there is peace and accord among Nicaraguans.  
[End recording]

CSO: 3248/439



NICARAGUA

ANTI-SANDINIST LEADER CRUZ INTERVIEWED

LD271813 Madrid Domestic Service in Spanish 0600 GMT 27 Jun 85

[Telephone interview with Arturo Cruz, former Nicaraguan Government official, identified as an anti-Sandinist leader, who is in Madrid to attend a seminar on Central America and the Caribbean organized by the Canovas del Castillo Foundation, by correspondent Luis de Benito--live]

[Excerpts] [De Benito] Good morning, Mr Cruz, did you hear the international news we just broadcast and if so did you hear that Sergio Ramirez, the Nicaraguan vice president presently on a tour of the Contadora countries, has announced that a U.S. invasion is imminent? What is your view on these alleged U.S. plans to invade Nicaragua.

[Cruz] May I repeat as I have already said to other media representatives here in Madrid that there is no reasonable sign of such an invasion coming about. In the first place the U.S. President's adviser on security matters McFarland has publicly said that military intervention by the United States in Central America would be a mistake and that the Reagan administration is not disposed to do so. Secondly, the consensus on which the recent approval of U.S. funds to the rebels was based, rests on the commitment not to seek to overthrow the Sandinistas by military means. I want to take advantage at this juncture of your allowing me the opportunity to comment to say that I find it ironical that Vice President Sergio Ramirez should ask Contadora to reestablish the conditions for dialogue in Central America when it is precisely the Sandinists who are refusing to take part in the dialogue, as is shown by the fact that they, the Sandinists, have violently rejected the proposals for dialogue and national reconciliation which we, the democratic opposition, have made to them.

[De Benito] Mr Cruz are you going to meet up with Mr Paz Barnica [Honduran foreign minister], since the two of you are both staying in Madrid?

[Cruz] Well there is no concrete plan to do so but yesterday I talked with the Honduran ambassador in Madrid, and if the opportunity to do so arises, we will take it.

[De Benito] During the seminar going on in Madrid, you announced yesterday that a new military offensive by the Contras fighting from Honduras against the Managua regime is underway as well as an increase in the international

campaign against the Sandinist government. With regard to this you are going on to London tomorrow to attend a seminar similar to the one being held in Madrid, aren't you?

[Cruz] Yes, it is an exact repeat of what has been taking place in Madrid. However, I want to point out that I have not announced any offensive. I simply said that, in view of the fact that the Sandinists are domestically closing the political space for the opposition--and I refer to the political activities of the Nicaraguan Democratic Coordinator. It is thus depriving our country of the presence of an active opposition which would be a sign of a genuine democracy--and in view of this fact the opposition leadership is obliged to step up all its efforts and one of these is military action and another is that of international political action. However, I do want to make it absolutely clear, and I have already said this many times during this visit to Madrid, that our preference is definitely to find a political solution by means of the most peaceful means possible.

[De Benito] We have heard that the Honduran Foreign Minister Paz Barnica is to have a meeting with the Spanish prime minister--a man who for varying reasons is well-briefed on the situation in Nicaragua. Do you share his view, or rather how do you see the view often expressed by Prime Minister Gonzalez on Nicaragua?

[Cruz] I share it fully. I have said this before and I do not mind saying it again this morning, that the stance adopted by the government headed by Felipe Gonzalez is, in my opinion, the right one with regard to the Nicaraguan issue and it is fundamentally supporting the Nicaraguan revolution in accordance with its initial premises which guarantee a situation of true nonalignment internationally on Nicaragua's part and an effort towards national development, to strengthen civilian society in the most ideal climate of pluralism.

[De Benito] Prime Minister Gonzalez has also said that the solution for Nicaragua has to come from that region, that is to say without intervention by either of the blocs, and in this I imagine you are also in agreement as to the undesirability of U.S. intervention.

[Cruz] I am in complete agreement, although such an intervention is purely theoretical and only exists in the minds of those who are submerged in Sandinist propaganda. However, the use of the term regional seems very opportune because I have been indicating the fact that the struggle as presented by the set of problems of what I call the Sandinist "aberration" in Central America has entered a second phase. That is to say that it has gone on from the phase of a confrontation between Nicaraguans alone to that of a confrontation between the Sandinist Front and the other Central Americans who reject the setting up of a Marxist-Leninist system in the heart of the Central American Isthmus, such as the Sandinists intend.

PERU

## NAVY DEBATES CHIMBOTE NAVAL BASE CONSTRUCTION

Lima CARETAS in Spanish 17 Jun 85 p 31

[Text] In a two-story house facing the Ministry of Navy, on Salaverry Avenue, a department engaged exclusively in planning and, eventually, carrying out the implementation of a project that the Navy considers a priority: namely, the construction of the Chimbote naval base, is in operation.

The executive direction of the Chimbote Project is headed by Peruvian Navy Vice Adm Raul Sanchez Sotomayor, and the assistant director is Peruvian Navy Rear Adm Luis Montes Lecaros. If the ranks of those in charge represent anything, it is the importance attached to this project by the Navy.

It is a project which has already taken many years of planning and negotiation; and which may still be awaiting several other advancements severely curtailed by the country's economic and financial situation.

To some, the matter of the Chimbote naval base is one of those typical conflicts involving legitimate but alternate necessities competing for limited funds. Or, more simply, it is the old problem of guns versus butter. "No one doubts the necessity for a naval base," comments a congressman associated with defense affairs, "even though consideration may be given only to the current expenses for maintaining the fleet; but there is a problem of funds. That means an investment of \$500 million, and the country could not withstand it now."

The Navy's viewpoint is different. According to Peruvian Navy Vice-Adm Sanchez Sotomayor, the Navy has attempted to gear the implementation of the project to the country's economic and financial potential. Sanchez Somomayor remarks: "We are aware of the critical situation that is being experienced; therefore, we have divided the project into stages, geared to the requirements, priorities and goals that the country has set."

What should indeed be unquestionable, according to Navy officials, is the need for the base per se. They cite the high operating cost represented now by having the fleet's ships anchored in Callao; in addition, of course, to the security problem, which is "obvious to anyone who sails through Callao."

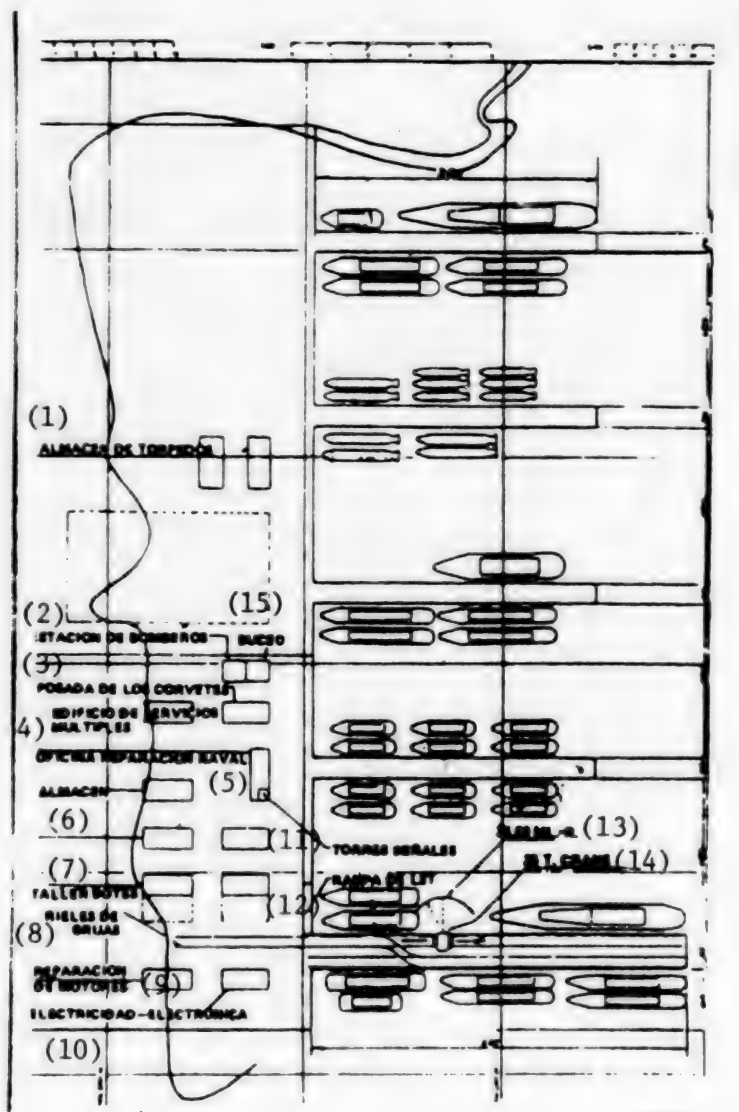
As a base, Chimbote offers suitable conditions, according to Montes Lecaros: virtual equidistance between the borders, and natural conditions for sheltering and servicing the fleet.

But, again, there are the hard economic realities. Sanchez Sotomayor observes: "I repeat, we are geared to the situation. The Navy's idea is to divide the implementation of the project into three progressive stages, designed so that the base will be ready to render services at the conclusion of the first one."

There is a preliminary stage, the present one, involving the determination of a "master plan" for the design of the base in accordance with the Navy's specifications and requirements. The estimated cost of the "master plan": \$3.5 million. "That is feasible at present," claims Sanchez Sotomayor. (The Navy has called for international competitive bidding based on merits, in which the following companies have been preselected: Techint (Spain), Dravo van Houten (U.S.), Tams (U.S.), Bechtel (U.S.), and Bonifica Spa/Iri (Italy).)

As for the issue of guns and butter, the Navy members claim that the project also belongs to the realm of defense and that of development. Montes Lecaros declares: "The project would generate the socioeconomic development of the region." This would be accomplished through the creation of new jobs and the commercial growth of the area. They estimate that, in the final phase of the project, about 10,000 individuals would be directly depending on the naval base.

Considering it more a development project than a defense one is a disputable view. Nevertheless, under the present circumstances, the Navy's position of gearing its time periods to the existing situation may well be regarded as a difficult compromise between the inevitable constraints imposed by the crisis and the permanent defense demands.



Key to Diagram:

- |                               |                              |
|-------------------------------|------------------------------|
| 1. Torpedo storage            | 9. Engine repairs            |
| 2. Multiple services building | 10. Electricity, electronics |
| 3. Naval repair office        | 11. Signal towers            |
| 4. Warehouse                  | 12. LST ramp                 |
| 7. Boat shop                  | 13. [number illegible] ML-R  |
| 8. Hoist rails                | 14. 25 t crane               |
|                               | 15. Submarine work           |

2909

CSO: 3348/755



PERU

#### BRIEFS

OFFICIAL POPULATION COUNT ANNOUNCED--According to official data provided by the National Institute of Statistics, by the end of this year the population of Peru will be approaching 20 million inhabitants; and by the year 2000, we shall total 28 million. The head of that entity, Dr Graciela Fernandez Baca de Valdez, announced yesterday that, as of 30 June, our country's official population will number 19.7 million inhabitants; because there is an annual birth rate of about 500,000 Peruvians recorded. She noted that, every day, about 1,800 children are born, only 80 percent of whom are entered in the civil registries. She then remarked that the highest percentages of deaths in our country occur, in descending order, from bronchopulmonary causes, diarrheic diseases and malignant tumors. [Text] [Lima EL COMERCIO in Spanish 9 Jun 85 p A-1] 2909

CONVERSION EQUIPMENT DUTIES LIFTED--To encourage the use of coal, the industrial firms which use that resource and the manufacturers of coal combustion systems have been exempted from the import duties on imports of machinery and equipment not manufactured in the country. That exemption applies to purchases abroad of equipment which allows for the installation of coal combustion systems, as well as replacing other systems and adapting them for coal consumption. The measure is contained in Law No 24178, which declared the replacement of the use of residual oil with that of coal extracted nationally to be in the national interest. The provision published yesterday in the official journal, EL PERUANO, states that the Ministry of Industry, Commerce, Tourism and Integration will issue the respective vouchers to the industrial firms so that they may enjoy the aforementioned benefit. It also orders that ELECTROPERU [Peruvian State Electric Power Enterprise], and its branches, PETROPERU [State Petroleum Agency], and all the public enterprises using electricity generating units which consume oil are to carry out intensive programs to replace those units with thermoelectric ones which consume coal. These programs are due to begin in the areas adjoining the coal production. [Text] [Lima EL COMERCIO in Spanish 21 Jun 85 p A-7] 2909

2909

CSO: 3348/755

ST CHRISTOPHER-NEVIS

BRIEFS

PAM HEADQUARTERS FIRE--BASSETTERRE, St Kitts, June 8, (CANA)--St Kitts-Nevis Prime Minister Dr Kennedy Simmonds has described Thursday's destruction of his People's Action Movement (PAM) party headquarters by a fire of unknown origin as distressing. Dr Simmonds said last night on the state-run ZIZ Radio: "The fire is very distressing, as the headquarters represents the toil, sweat and tears of thousands of people and supporters of the People's Action Movement. Only the shell of the large wooden building on Lockhart Street, Western Basseterre was left standing. No official estimate of the loss has yet been given, but one realtor put the value of the property at about EC\$200,000 (EC\$1=37 cents US). The police are investigating the cause of the blaze. [Text][Kingston THE SUNDAY GLEANER in English 9 Jun 85 p 1]

CSO: 3298/813

ST LUCIA

MALLET ANSWERS UNION; COMPTON PROMISES NO LAYOFFS

Mallet on NWU Charges

Castries THE WEEKEND VOICE in English 1 Jun 85 p 1

[Article by David Vitalis]

[Text]

MINISTER of Trade and Industry, George Mallet has blasted as "dishonest" a statement by the National Workers Union (NWU) accusing him of not doing enough to resolve trade problems with Trinidad and Tobago thereby averting 150 temporary lay-offs at the Mayfair garment factory.

The NWU statement, made by its President-General, Tyrone Maynard and published in last weekend's VOICE blamed Mallet for failing to meet with the management of the factory soon enough to discuss the job situation in relation to Mayfair's difficulties in obtaining licences to export its products to Trinidad and Tobago — a regular market until restrictions were imposed three years ago.

Maynard also claimed that Mallet had not responded to 26 telephone calls made by Mayfair's Managing Director, David Rosenberg and had shown interest only when staff had been sent home.

Mallet's reactions at a press conference Thursday did not mention the NWU president by name but

labelled his statement as "untrue and dishonest" and went on to question the NWU's credibility.

He said: "And this may be the reason why there is this lack of believability amongst the workers that he represents at Mayfair. There is no credibility in that particular union among the workers. They have actually asked to stop their payments towards the Union because, I take it, I have never asked the reason, that the measure of representation is not up to mark...."

Mallet said he had made approaches both individually and as a group in collaboration with other OECS countries in trying to avoid the trade difficulties with the twin island republic, and, according to the Minister ".... were it not for the efforts we were making from time to time to clear those licences, the situation would have been worse."

He added: "We can't force Trinidad to do anything, we want an understanding, and we can't get that understanding by just bull-ragging, bulldozing and forcing ourselves in. Mind you, if the time comes where we have to apply stringent

measures against Trinidad, if that time comes and we think it is proper that we do it, we will do it...."

Mallet stressed his ministry had been in touch with the management of Mayfair "all the way" whenever problems arose. He said the best examples of his government's concern were demonstrated "around the end" of 1983 and 1984 when his ministry was instrumental in clearing the way for the factory to receive a substantial portion of outstanding money from Trinidad.

The minister pointed out that he was "fairly hopeful" that some improvement in the island's trade relations with Trinidad would come about by July — the deadline given by Mayfair for either re-employment or total dismissal of workers now on lay-off.

Mallet said his hope was based on a recent agreement between trade officials from both islands that a ministerial meeting should be held shortly.

Castries THE VOICE in English 12 Jun 85 p 1

[Text]

PRIME Minister John Compton has said his Government has no plans for massive retrenchment of workers in the public service and has explained why the Government has found it necessary to terminate certain programmes.

The assurances were given to National Workers Union (NWU) President Tyrone Maynard in response to a letter which he wrote to Mr Compton early last week expressing fears over what he said were plans for "massive retrenchment".

The following is an edited version of the exchange of letters, copies of both of which were sent to THE VOICE:

## Dear Mr Compton

AFTER being reliably informed of your government's intention to retrench over one hundred daily paid workers, including Community Health Aides, Environmental Aides, P.H.E.U. Carpenters, Masons, Drivers and Labourers, I immediately requested a meeting with Mr. Cornelius Lubin, Permanent Secretary in the Ministry for Health, Housing and Labour.

In spite of our short notice, Messrs Lubin and McDonald agreed to sit with an NWU delegation. During our discussion, Mr. Lubin made it quite clear that whatever he was asked to do could not be divulged to the union. However, he shared our view that Government or any employer should never contemplate or take any action that would threaten the livelihood of workers before consulting the Trade Union in an effort to find the best solution that both sides could live with. We then stressed that Mr. Lubin and ourselves had worked very hard over the years to establish and secure a very good relationship when it came to the interest of his Ministry and employees.

Having left Mr. Lubin and checked with another official in the said Ministry, we were then able to confirm that your Ministry of Finance gave firm directives to cut off all bulges and set the stage for the massive retrenchment.

Mr. Prime Minister, I was very much astonished that such repressive measures are being taken against workers who have toiled very hard over the many years. Has anyone in your Ministry thought of the serious repercussions that we may be faced with in our health service as a result of doing away with Health Aides? It is all right for those of us who can afford to go to Barbados or Martinique for medical treatment. What about those of us who cannot even go to Victoria Hospital? yet we talk about Health for all by the year 2000. As I see it, the action against these health workers will surely destroy whatever foundation that has been built over the years in the realisation of such an objective.

Any action by your ministry to rob these workers of the opportunity to earn an income will be in the long run be seen as a crime against humanity.

Sir the situation is frightening. Any politician in office who does not recognise that St. Lucia is becoming tense day by day, and that the present situation requires dialogue at all levels so as to find the right solution to get our people out of the painful mire, would gradually be digging his political grave.

It is all well and good for a few IMF fanatics to remain in Washington, eat well, enjoy a reasonable standard of living, send their children to University and then dispatch a prescription that bears no relevance to our situation. They are probably not on the ground enough to realise that IMF measures have initiated bitter social confrontation in Santo Domingo, Jamaica, Argentina just to mention a few countries. Please remember that you are the one who will have to face a desperate and an emotional electorate come the next general election.

In the interest of the workers.

Tyrone G. Maynard  
PRESIDENT GENERAL

## Compton's Reply

Castries THE VOICE in English 12 Jun 85 pp 1, 12

[Text]

## Dear Mr Maynard

I WRITE in reply to your letter of the 4th inst. regarding the retrenchment of certain non-established workers in the public sector. The contents of your letter are true only in part and for the most part is exaggerated and alarmist. Government has no intention of carrying out any massive retrenchment and information in this regard from whatever source is erroneous and perhaps mischievous.

Having based your argument on erroneous premises you continue inevitably to draw frightening conclusions of decline in the health service in St. Lucia.

All that Government has decided to do was to terminate particular programmes — the Public Health Engineering Unit and Research and Control — one of which has been inactive for several years and should have been terminated years ago, and the other, Research and Control, has achieved its objectives.

But the action of which you complain should have been foreseen as the inevitable consequences of the heavy and most recently unconscionable demand by the Public Services Unions upon an economy which cannot meet these demands. There are other areas under threat because of excessive demands. You should know that the Funding Scheme and the Dernery Farm Co. have both been practically destroyed as economic units and now survive on Government handouts. Union Station is another victim.

As early as 1978 I drew attention to this trend, stating that there is only one purse which is limited and "if some people must get more others must get less." While all countries in the Caribbean have been carrying out a programme of structural adjustment and massive retrenchment, we in St. Lucia have continued as though the rules of the world do not apply to us.

After three years (1979-82) of negative growth rate, and with an addition of 24,000 population in six years, with disasters natural and political, massive demands have been made by the Public Service Union. These have been satisfied, but at some costs in employment in the unestablished workers' ranks. You will recall that I personally warned you of this.

I have been at pains to inform the Unions and the public at every available opportunity about the perilous state of the public finances and urging restraint in wage demands. But my warnings have gone unheeded.

In 1983 I sought to dramatise this by requesting all Cabinet Ministers to accept a 10% cut in their salaries but this had absolutely no effect except to drive the poor and underpaid Ministers into further debt and poverty.

I am glad that you made reference to the I.M.F. as you again recall that as far back as 1983 I publicly stated that "there is no room for John Compton and the I.M.F. in St. Lucia." I said this because I know the consequences of accepting their advice, but your colleagues in the Union do not appear to care whether this sad fate befalls St. Lucia.

The current crisis transcends political ideology, and agony of adjustment has been the fate of Communist Poland as it has been the fate of Capitalist Venezuela. It has afflicted large and wealthy Mexico as it has afflicted small and poor Dominica. The proven medicine for this ailment is restraint, productivity and financial discipline. These, I am sad to say are lacking in St. Lucia.

If some continue to extract more from the Public purse, others in consequence, must be denied. There could be hundreds of people employed on certain capital projects if

St. Lucia could only pay the small contribution required. The water project, which was approved by C.D.B. since July 1984, cannot be implemented because the Government has been unable to pay its bills to the Water Authority and the Electricity Company, some of which date back to 1979.

Again hundreds of children are taken out of school to head out bananas because of inadequate road systems. You know of our problems with our University contribution and the threat of expulsion from the United Nations unless St. Lucia meets its payments. But all Government's resources are diverted to meeting recurrent expenditure rather than relieving human suffering and meeting our international contribution. This is what I refer to as unconscionable.

We have been pushed from being a vibrant and progressive Nation into the line with beggar's bowl in hand.

You speak of "digging political grave" and "facing a desperate and emotional electorate come next general elections." I am glad that you are aware of my responsibility, but some of us want power without responsibility. Let me tell you that what ever the political consequences, my first responsibility is to the people of this country, and I will not assist anyone to dig its economic grave in order to ponder to cheap and transient popularity. These things never last and have never appealed to me. That is why I have been serving as an elected member for over 30 years.

At the beginning of this current electoral term, I invited Unions and the Employers to share with the Government the responsibility of shaping St. Lucia's recovery. For reasons best known to them, the Unions declined the offer. That is their decision and however much I may have hoped it was otherwise, this I cannot change nor do I seek to further influence it.

John Compton  
Prime Minister



CS0: 3298/844



ST LUCIA

# PLP'S ODLUM PREDICTS EARLY GENERAL ELECTION CALL

Castries CRUSADER in English 15 Jun 85 p 1

[Text] A large Market Steps audience heard the Leader of the Progressive Labour Party George Odlum last Thursday night announce the possibility of an early General Election in St. Lucia.

The theme of the meeting was A Country in Crisis and the speakers were Nicholas Joseph, Jon Odlum, Bianca Alexander, Vic Fadlin and George Odlum.

Hon John Odlum who also chaired the meeting spoke at length on the Government's poor record in dealing with environmental problems in the State and drew attention to the serious implications of the deposit of untreated sewerage into the harbour in Castries. Nicholas Joseph dwelt on the moral decline in the community and Vic Fadlin dealt with some of the economic issues arising out of successive Government budgets.

Party Leader George Odlum traced the causes of the economic and political crisis in the country and blamed the leadership of Prime Minister Compton for the state of the economy and the demoralisation of the people of the State.

He said that the economic and political paralysis which the country is experiencing at present will continue. The Prime Minister's hopeless performance and projection on the international scene certainly does not help the situation and is largely responsible for it.

"Down the road is darker for the Government and that is why the Prime Minister is being advised to take the plunge into General Elections before the collapse comes", Party Leader Odlum explained.

He referred to the Dominica Elections saying that the Americans are of the view that Prime Minister Charles made a tactical mistake in allowing the Dominica Labour Opposition time to regroup and reorganise. They are advising Prime Minister Compton to consider an Election at the earliest possible date in the New Year, if not sooner to forestall any consolidation of the Labour Opposition forces in St. Lucia.

CSO: 3298/844

ST LUCIA

**PLP ORGAN CHARTS FAILURES OF UWP ADMINISTRATION**

**Castries CRUSADER in English 15 Jun 85 p 2**

**[Editorial]**

**[Text]**

Strange as it may seem the same word which dogged the Labour Administration is the same word which has St. Lucia locked in the most serious economic and political crisis under the United Workers Party. The word is LEADERSHIP.

No one will deny that the country is in crisis. The paralysis which has left its citizens unemployed, its youth frustrated, its economy in a state of depression and its Government helpless and clueless has its origins in the quality of leadership foisted on our people for the past two decades. The Labour Administration had its problems dramatised and highlighted by a media which was openly unsympathetic, but the problems turned on a dichotomy in the quality and style of leadership and on the ideological slant of the Government. The United Workers Party is not wracked by this particular problem. There are no varying ideological strains in the ruling United Workers Party. There is no democratic cut-and-thrust in policy debate within the Party itself. Naturally there are

disagreements and endless quarrels but these turn on the personal self-interest of Party members and not on sharp ideological misgivings. One might claim that this autonomous policy line is good for the cohesion of the Party but it also begs the question whether it is in the best long-term interest of the country itself.

Labour Parties and Parties to the Left tend to leave themselves wide open to schisms and factions because of this broad democratic debate within their ranks on defining and consulting THE COMMON GOOD! The United Workers Party shares the monolithic insensitivity of most Right Wing Parties. The friction which developed in the United Workers Party between the Young Turks and The Old Brigade was not a question of policy or ideology. It was postulated mainly on the view that the Old Brigade had reaped enough of a personal harvest and it was the turn of the Young Turks to get a piece of the action. There is no difference in the moral positives of Prime Minister Compton and that of his Deputy George Mallet.

One can detect no varying idealism among the individual ministers of the Compton Regime. They appear to be welded together by a heightened survival instinct and have no truck with subtleties of principle, morals or ideological colour.

It is this coincidence of interest dominated by the firm political centralism of John Compton which makes the United Workers Party boast that there is no leadership struggle as such in the Party. The Prime Minister entertains no challengers to his political dominance. The history of the Party is littered with the wreckage of persons who dared to try - Monrose, Hunte, Francois, Lansiquot etc. But even what looks like successful defence of his leadership perch has served to weaken the Party itself as an instrument for promoting the development of St. Lucia. This is the central dilemma of Prime Minister Compton's leadership - he has survived politically long enough to accumulate fantastic personal assets but he has failed miserably in putting the country on a trajectory for meaningful development. Mr. Compton can boast that he has been elected for almost thirty years and at present there is still no one to challenge his supremacy in the Party. But the people of St. Lucia cannot claim that his leadership has brought prosperity, discipline or hope to the nation.

The essential attributes of good leadership has been spelt out in many places and it is generally felt that a good leader should be an upholder of fine principles and not necessarily a rank opportunist. It is always disturbing when the basic positions of a leader

switch easily and his followers are left with no moorings and no positives to embrace. Mr. Compton switched from his leadership role as a champion of the working class to his present role as defender and doyen of the Establishment.

In the course of this swift transition he has left St. Lucians a rich legacy of negative qualities. He has taught them to be cynically self-seeking and opportunistic. He has shown them the personal success that can be derived from cuddling-up to the rich and influential and scorning the plight of the poor. He has demonstrated the fact that deception and bluff are effective tools in a near-literate society. He has sold them short on strict adherence to principles and given them a soft-sell on opportunism and pragmatism. He has used the Law and the machinery of Justice as a tool of convenience for his own personal self-promotion and self-aggrandisement. He has failed in inculcating the rudiments of discipline, mobilisation and productivity in the society. He has encouraged CORRUPTION at all levels of the society - in Government, in the commercial sector, in Statutory Boards and quasi-Governmental organisations in the export of Foreign Exchange, in the ownership and transfer of land titles, in the equity of the Tax System, in the operations of foreign investors and in almost every sector of our society.

At the moment of his bitter defeat in 1979 Mr. Compton, in a rare moment of perception, admitted that he erred in not taking care of and showing concern for the ordinary people. But immediately

he regained office in 1982 he shouted to the roof-tops - "There is nothing wrong in the way I conducted my Government in the past. I know only one way and that is the way I will follow again". So while the United Workers Party can give a muted blast of self-praise for the fact that there is no serious challenge to Mr. Compton's leadership in the party, the horrible truth stares them in the face that their leader is moving firmly and relentlessly along THE WRONG ROAD. This is the cause of the paralysis in our economic and political situation today and this is the Leadership Crisis that St. Lucia is reeling under.

CSO: 3298/844

ST LUCIA

## DISCUSSION OF PLP INTERNAL DIFFERENCES, CAUCUS REPORT

Castries THE WEEKEND VOICE in English 8 Jun 85 p 2

[Letter to the Editor]

[Text]

THE EDITOR: Please be so grateful as to allow me some valuable space in your newspaper to add some points to the current debate about the Crusader and the owner of that paper, and the Leader of the PLP, both of whom are one and the same person.

The "confidential" caucus report of the PLP printed in the Crusader in response to the letter by a "Frustrated PLP" was a confused attempt by Bro. George Odum. Rather than clearing the air as to the serious allegations made in the letter, he used his Crusader to undermine the party.

I would like to clarify a very important point so that the people who are following this debate will be in a position to know the difference between being a PLP and an "Odumite."

A PLP is one who stands for, and is guided by the rules and other documents approved by the party Congress, while an Odumite is one who is guided in his or her political activity by the misguided and confused thoughts of Bro George.

It is important to make this point because whenever attempts are made to correct the actions that are against the interests of the party, you are being accused of "sabotaging" the party.

I must admit that the "Frustrated PLP" achieved more by printing his letter in THE VOICE than some of us who were trying to advocate certain changes at internal meetings after the Conference and during informal discussions.

He or she was successful in getting the party leader to openly admit that the party has been replaced by "the Political leader's caucus" — a new party structure created by the leader to enable him to have personal control over "what is left" of the party.

"Frustrated PLP" was also successful in showing that Bro. George is not telling the truth. He lied to the caucus when he promised an "annual" congress in May 1985. The Party's Constitution has no provisions for an "annual" Congress, nor did he fulfil his promise after "isolating" those who were "sabotaging" the party.

The Odumites are loyal to the party leader, so everything he does could be justified by them. But when the party's history is being distorted to cover-up the wrongdoings of the Party Leader, it is the responsibility of the real PLP's to defend the party.

I question Bro. George's motives to "his" caucus and the readers of the Crusader in attempting to give the impression that people like Mikey, Sam, Satney, Goddard and the others are the ones that are "sabotaging" the party. After reading the Crusader last week I searched for my own copy of the Weekend VOICE of March 1, 1985, to get a clear and fresh picture of what Bro. George had to say about the inactivity of leading members of the party to a CANA reporter, Reudon Eversley, in a feature story entitled: ODLUM DENIES PARTY COLLAPSE." After reading it again, I was confused as to which of his "reasons" for the party's situation to accept.

Asked about the inactivity of certain members, he said: "Because of the nature of political support and financing in St. Lucia, it is almost impossible for people to be out of jobs and plays a political role. The nature of patronage politics here is such that you will not get a job if you're an active political aspirant. This is the reality of survival politics."

But when he is confronted by a factual letter on what is happening in the party, he reproduces an internal document written BEFORE the CANA article to praise himself for destroying the party by isolating the same people he tried to defend in THE VOICE.

According to the "caucus report," the leader's response to the need for a more organised party "served to isolate the very persons who were seeking to undermine the party. Some returned to the fold, and those who were left behind called a meeting and wrote a letter to the party leader requesting a meeting with them. The party leader called a meeting of the Executive... which decided that the party leader should not accede to this request, but a meeting of the General Council (to which they all belong) should be called."

But what the report did not say is the fact that the letter from "the Little Eight" referred to, revealed, among other things, that "another fundamental problem is the non-functioning of the main party organs — Congress, General Council, Central Committee, and Secretariat."

The other point which is worth noting in the quotes from the Caucus Report is the fact that there is no scope for criticism and self-criticism in the party.

Article 3 of the Rules of the party states: "Every member shall... promote and practice the principle of criticism and self-criticism within the party and oppose any manifestation or deed that may impair the interests of the party."

When that right is exercised, the Odumites call it "sabotage." Today, rather than taking blame for the present state of the party, Bro. George is blaming those who tried to correct the situation. If there is anything or anybody who "sabotaged" the PLP, it is Bro. George and his caucus.

It was not Sam and the others who broke the Executive's decisions to adopt a clear strategy that in the post election period the party should keep a low profile" (Caucus Report). But it was Sister Frances who wrote to Bro. George showing that he has no respect for the constitutional organs of the party.

Gilroy Satney and the others had nothing to do with sending "students" to Libya for "training." That was an Odumite project.

It was not Downes and the others who attempted to organise a march against unemployment in Vieux Fort where over 700 workers were laid off but only 100 persons (most of them not from Vieux Fort) were following Bro. George's van. At least Downes got over 450 votes in his Vieux Fort South constituency. These are just a few of the things done by the caucus "on behalf of the party" that have contributed to "sabotaging" the party.

When some of us were calling for a more objective approach towards the SLP we were being ignored and called all types of names behind our backs.

As a member of the General Council, I am calling for all the genuine PLP's to come together to demand a Congress. It is time that we show the Odumites that we cannot be isolated by a "caucus" which cannot attract any votes to the party. We must show the caucus that we are prepared to isolate them anytime a Congress is held.

If the Odumites don't want to listen, we will have to make them feel by calling a Congress and dissolving the party. Bro. George should ask Colonel Gaddafi for an Islamic symbol for the next general elections, if he intends losing another general election before he gives up.



ST. LUCIA

## NEW NATIONAL YOUTH COUNCIL, GOVERNMENT AT ODDS

### Exchange of Statements

Castries THE VOICE in English 12 Jun 85 p 9

[Text]

A WAR of words appears to be brewing between the Ministry of Youth and the recently formed National Youth Council (NYC).

The NYC was formed earlier this year at a weekend youth consultation in Soufriere as part of the programme to organise International Year of the Youth (IYY).

Last week, the Ministry issued a statement saying that "certain formalities and procedures" were not observed at the election of persons to form the Council's Executive Committee. It said the National IYY Committee, which organised the consultation, had admitted that "the proper procedure for establishing the NYC was not followed."

"There was no constitution and no period of initial discussions with youth groups islandwide on the formation of the National Youth Council," the Ministry said, adding that in the light of this, the Ministry had ruled that the present NYC was not properly constituted.

But the NYC headed by barrister Mario Michel this week issued a statement challenging the Ministry's claims.

The following is the NYC's statement.

"The National Executive of the National Youth Council wishes to state that the formation of the Council was brought about by a resolution unanimously approved by the delegates at the national consultation, after elaborate workshop discussions by the heads of the various delegations on the structure and formation of the Council; and that the formation of the Council was the will of the overwhelming majority of our youths as expressed by their representatives at the National Consultation.

"The National Executive wishes to state also that its composition is the result of the democratic expression of the will of our youth in free, fair and open elections conducted by persons appointed by the Ministry of Youth and Community Development, and represents a true reflection of the wishes and desires of our youth.

"We regard it as highly unfortunate that rather than embrace the opportunity to work with organised youth under the banner of the National Youth Council, the Ministry of Youth and Community Development has chosen to express regret over the formation of a National Youth Council in St. Lucia. But we wish to state categorically that it is only the youths who can dictate the form and content of their Council, and that we resent all attempts to decide

for us when, where and how we should proceed and who should lead us. While not wishing to engage in any confrontation with the Ministry of Youth and Community Development, we would view very seriously any attempt to undermine our Council or to disrupt its orderly functioning.

The National Executive wishes to take the opportunity to inform all concerned that it has been elected by the youths to help solve the many problems confronting youth in St. Lucia, and that it has every intention of fulfilling its mandate. We urge the Ministry of Youth, and indeed the entire population, to co-operate with the National Youth Council and its leadership in its attempting to come to grips with the manifold problems confronting youth in this country and, in particular, we urge the Ministry of Youth to respond to the invitation of the Council for discussions which can lay the basis for a good working relationship between the Council and the Ministry.

"In conclusion, the National Executive wishes to assure the youth of our country that the work of the Council will proceed as planned, in order that we may collectively realise the objectives set by the National Consultation on major problems confronting youth in St. Lucia held at Soufriere in April.

"Meanwhile, the National Executive has again written to the Minister of Youth and Community Development requesting a meeting with him to discuss the formal launching of the National Youth Council on September 1st, as well as to brief him on its other plans and activities."

The Ministry has called on the NYC to suspend its planned programmes, including its establishment of student councils around the island. It also called on all national, regional and international bodies to refrain from giving assistance to the National Youth Council until such time as a properly constituted Council is established, under the aegis of the Ministry of Youth and Community Development.

The Ministry has suggested that an on-going island-wide awareness programme should be immediately mounted by the I.Y.Y. Committee and that the Committee should meet with interested persons, including those now serving on the "ill-constituted" National Youth Council, in order to prepare a constitution for the N.Y.C.

Castries THE WEEKEND VOICE in English 15 Jun 85 p 1

[Text] CHAIRMAN of the International Year of the Youth (IYY) national committee Austin Glasgow has expressed concern over what he says is an urgency displayed by some young people in the formation of a National Youth Council at a two-day consultation on problems affecting the youth organized by his committee two months ago.

In a letter to Minister of Youth Romanus Lansiquot, Glasgow said that the consultation was designed to provide a forum for discussion on problems experienced by young St. Lucians especially in such as drug abuse, unemployment and teenage pregnancy and in Sports and Culture.

He added that during this consultation a number of needs for the youth were identified and recommendations made, one of which was the need to establish a National Youth Council (NYC).

"However", Glasgow wrote about the election of officers to such a Council at that event. "Some persons who attended the consultation pressed for the immediate election of officers to constitute a St. Lucia National Youth Council before participants had the opportunity to report to their respective organizations. Why the urgency."

He said that before this was done certain procedures had to be adhered to including the laying out of a constitution identifying the aims and

objectives of the NYC, the criteria for membership as well as the general structure for such an organization.

In addition, he said, interested groups from around the island must be allowed the opportunity to examine the constitution and a special meeting of representatives of these groups should be convened to ratify this. Also, a special meeting of those representatives had to be called to form such an organization.

"Having followed these steps then and only then can one say that the said organization is properly constituted" Glasgow stated.

It is against those guidelines that the IYY and the Ministry of Community Development refuses to recognize the present NYC lead by Barrister Mario Michel.

The NYC has since issued a statement refuting the claims by the NYC and the IYY Committee. It said that the selection of the Council was the result of "the democratic expression of the will of the youth in free, fair and open elections conducted by persons appointed by the Ministry ... and represents a true reflection of the wishes and desires of our youth."

### Popo Remarks

Castries CRUSADER in English 15 Jun 85 p 6

[Excerpts]

The National Youth Council has refuted the statement made by the Ministry of Youth and Sports which stated that the Council was not properly constituted.

The National Executive of the N.Y.C. in a press release issued this week hit back at the Ministry's release, stating that the National Youth Council was brought about by a resolution unanimously approved by the delegates at the National Consultation, and regards it as highly unfortunate that rather than embrace the opportunity to work with organised youth under the banner of the

National Youth Council, the Ministry should express regret over its formation. In a related development Mr. David Popo speaking on behalf of the Co-ordinators of the consultation told the Crusader this week that they are of the opinion that the formation and formalisation of the N.Y.C. was in order. He said, "We were of the opinion that the consultation mandated the young people towards the formation and organising of the National Youth Council. There was a unanimous recommendation that those who participated at the daily consultation should move towards the formation and formalisation of the National Youth Council".

Mr. Popo states that the Ministry expressed concern over the formalities and procedures towards the formation of the council, but expressed that there was no stated or written procedures laid down to be followed. He said, "There was no written or stated procedures given to the Co-ordinators at the consultation towards the formation of the council. There was however a recommendation from a Ministry Official who advised that a steering committee to be set up, which would be responsible for working out the logistics and structure of the N.Y.C." However, Mr. popo states that this was only a recommendation, and when the young people decided on the immediate formation of the council, they felt that they were the ones to call the tune, since they were talking in terms of participation.

Responding to the question that the Minister has labelled certain members of the newly formed council as being communist orientated, Mr. Popo said, "I have not heard about any such label from the Ministry, and personally I do not think that this is an issue, whether or not individuals are prone to any ideology left or right, should not in anyway

influence the participation of persons whom have been choosen to represent people on a particular institution. We made it clear that the Council should be a non-political institution, devoid of any kind of political manipulation. In this light we were not considering any kind of political ideological differences. Our concern was that those persons, were duly elected at the consultation by the young people; in terms of carrying out the function and duty of the National Youth Council."

Mr. Popo informed the Crusader that his concern is for the principle and approach, that after the young people have agreed in principle towards the formation and formalisation of the mechanism towards insuring that they fully participate in the affairs of the country, and that their voices are heard, that one or a few individuals are saying that the Council is not duly constituted, or how they think the Council should be operated. In his opinion this is a kind of top to bottom approach to the development of people.

Mr. Popo said that instead of the existing confusion the Ministry should guide and direct the newly formed organisation.

#### Castries NYC Unit's Stand

Castries CRUSADER in English 15 Jun 85 p 6

#### [Text]

The Castries branch of the National Youth Council (N.Y.C.) views with utter scorn and disgust the statement on the N.Y.C., released by the Ministry of Youth on Thursday June 6th, 1985.

It is the view of this branch that the Ministry is just bent on creating problems for the Council, because the Democratic conduct of the elections did not lead to a result that favours it.

The Castries branch declares its unswerving support for the National Youth Council (N.Y.C.) and will continue to

support the N.Y.C. as long as it continues to protect and develop the interest of the Youth of this Country.

The Castries branch of the N.Y.C. sees the role of the Ministry in the development of the Youth as an advisory role, rather than a dictating role. And therefore call on the Ministry to allow the Youth of this country to shape their own destiny.

DAMIAN MONROSE

P.R.O. - Castries Branch of the N.Y.C.

CSO: 3298/845

ST LUCIA

STATISTICAL REVIEW FOR 1984 SHOWS TRADE DEFICIT UP

Castries THE WEEKEND VOICE in English 1 Jun 85 p 4

[Text]

ST. LUCIA's total overseas trade for last year amounted to \$499,048,663, increasing by \$22,373,137 over 1983, according to figures released by the Statistical Department. But the large trade volume, the third highest since 1974, also brought about a deficit of \$190, 945,661 which was over \$30 million more than in 1983, but less than the three preceding years 1980-82 which exceeded \$200 million.

Of the total trade last year, \$319, 997, 162 was spent on imports while the island made only \$129,051,501 from its total exports. The total value of imports from CARICOM countries amounted to approximately \$53.8 million, increasing by about \$5.3m over 1983. And the total exports to CARICOM was just over \$35.3m last year a drop of about \$10.3m for the preceding year.

The Statistical Department's Review says: "In 1984 St. Lucia experienced favourable balances of trade with five of its CARICOM partners — the Bahamas, Dominica, Grenada, Montserrat, and St. Kitts/Nevis. In 1983, in addition to the

countries listed for 1984, St. Lucia also had a favourable balance with Jamaica. The balance of Trade worsened between 1984 and 1983 for six of the twelve-member community."

According to the Department's figures the island had to settle for trade deficits of \$11,476 in 1983 and over \$19m last year with Trinidad and Tobago; \$2.9m and \$4.9m respectively with St. Vincent; \$1.5m and \$3m with Barbados; \$826.3 thousand and \$485.1 thousand with Antigua; and \$716.1 thousand and \$692.9 thousand with Guyana, among others.

The country imported over \$117.6m worth of goods from the United States last year but exported only \$21.4m; \$59.4m from the European Economic Community (EEC) and exported about \$65.7m.

Most of the island's trade with the EEC was conducted with the United Kingdom (U.K.) about \$43.4m in imports and \$65.6m in exports in 1984

Last year about \$67m was spent on the importation of food and live animals; \$35.8m on mineral fuels, lubricants and related materials; \$36.5m on chemicals; \$66.3m on manufactured goods; \$56m on machinery and transport equipment; \$38.6m on miscellaneous manufactured articles; \$9.3m on beverages and tobacco; \$7.7m on crude and inedible materials (except fuels); \$2.1m on animal and vegetable oils and fats; and \$177.9 thousand on commodities and transactions not classified according to kind.

In contrast to those towering import bills the island's domestic exports statistics went something like this; food and live animals \$68.1m; beverages and tobacco \$5.4m; crude and inedible materials (except fuels) \$1.1m; mineral fuels, lubricants and related materials, zero; animal and vegetable oils and fats \$8.7m; chemicals \$675.4 thousand; manufactured goods classified chiefly by material \$14.7m; machinery and transport equipment \$4.4m; miscellaneous manufactured articles \$20.3m; and commodities and transactions not classified according to kind \$4,060.

CSO: 3298/846

ST LUCIA

BRIEFS

MINISTER IN TAIWAN--Minister for Community Development Romanus Lansiquot and Mrs. Lansiquot, left the island yesterday for Taiwan as official guests of the Government of the Republic of China. Mr. Lansiquot and his wife will remain in the Chinese Republic until June 23. During their visit they will meet with high-ranking Government officials and civic leaders to discuss issues of mutual concern. [Text] [Castries THE WEEKEND VOICE in English 15 Jun 85 p 1]

FOREIGN WORKERS--How curious is the state of our affairs in St. Lucia! While St. Lucians are crying out for jobs and can find none. Our over-generous Government at present have Frenchmen painting the Halcyon Days Hotel in Vieux Fort. Germans working on the renovation of Caribblue and Barbadians engaged on the Point Seraphin Project. Three cheers for internationalism! [Text] [From the unattributed column "Queek Quak"] [Castries CRUSADER in English 15 Jun 85 p 3]

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